

~~TOP SECRET~~



Volume 3

SOVIET ORBIT

SOVIET ORBIT

I. Stability

- A. Firm Kremlin control throughout Orbit; latent unrest not likely to become effective unless Orbit suffers substantial military setbacks.
- B. Continuing unrest indicated by:
 - 1. Deportations of non-Russians from border areas in the USSR, especially the Caucasus, to interior;
 - 2. Peasant resistance to increased collectivization in Central Asia and consequent replacement of MGB Ministers in two Central Asian Republics;
 - 3. Continuing campaign against "bourgeois nationalism," especially in the Ukraine and the Central Asian Republics;
 - 4. Official dissatisfaction with the Central Committees of the Georgian Communist Party and charges of embezzlement, resulting in extensive purges in party and government;
 - 5. Purges, labor troubles, and occasional armed partisan action in Satellites.

II. Military

- A. Soviet Armed Forces include 175 divisions and 20,000 military aircraft maintained in a high state of war readiness. (The Kremlin can probably initiate major hostilities with little advance warning.)

1. Ground Dispositions

	Army	Divisions	Security
Western U.S.S.R.	840,000	63	155,000
Caucasus	240,000	19	55,000
Middle Asia	460,000	33	80,000
Far Eastern	355,000	26	68,000
F.E. - Port Arthur & Dairen area	72,000	4	12,000
East Germany	385,000	22	20,000
Remainder Europe	148,000	8	10,000
Total	2,500,000	175	400,000

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2. Air Dispositions

	E.E.	W.USSR	SW USSR	S.USSR	F.E.	Totals
Fighter: Jet	1,130	1,670	900	480	520	4,700
Piston	200	1,250	750	800	1,850	4,850
Attack	460	1,120	220	380	670	2,850
Lt. Bomber: Jet	170	290	40	-	-	500
Piston	380	1,180	700	420	1,520	4,200
Medium Bomber	-	450	250	-	50	750
Transport	120	360	130	90	400	1,100
Reconnaissance	100	350	120	130	350	1,050
Total	2,560	6,670	3,110	2,300	5,360	20,000

Total personnel 520,000 plus 80,000 Naval Air Arm

3. Navy Dispositions

	Subs	Major	Minor
Northern	37	23	270
Baltic	158	49	814
Black Sea	72	29	262
Pacific	103	41	367
Total	370	142	1,713

Total personnel, 600,000

4. Trained reserves estimated at 7,100,000.

5. Mobilization Capacity

M - Day	-	2,500,000
M \neq 15	-	4,000,000
M \neq 30	-	8,000,000
M \neq 90	-	9,000,000
M \neq 180	-	11,000,000
M \neq 360	-	12,000,000

B. Satellite Armed Forces include an estimated 69 divisions and 2,075 military aircraft, reliability uncertain and command structures not fully coordinated. However, these deficiencies are gradually being overcome.

1. Polish Forces

a. Ground

Ground Troops	275,000
Security Troops	75,000
Infantry Divisions	12
Mechanized Divisions	4
Tanks	600

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b. Air

Personnel	9,750
Aircraft	500

c. Navy

Personnel	7,561*
Vessels:	
Submarines	3
Major (Destroyer)	1
Minor	52

d. Trained reserves estimated at 1,500,000. Majority would require refresher training.

e. Mobilization Capacity

M - Day	-	350,000
M / 15	-	420,000
M / 30	-	525,000
M / 90	-	800,000
M / 180	-	1,000,000

f. Capabilities: Probably effective only for internal security operations on a limited scale and incapable of either independent offensive action or sustained defensive action.

g. Soviet Forces in Poland

Ground Troops (organized into 2 divisions)	41,000
Security Forces	2,000
Aircraft	470

* Includes naval air arm

2. Hungarian Forces

a. Ground

Ground Troops	150,000
Security Troops	15,000
Rifle Divisions	8
Mechanized Divisions	1
Tank Divisions	1
Tanks	625

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b. Air

Personnel	10,000
Aircraft	350

c. No Navy

d. Trained Reserves: About 400,000; approximately 250,000 of these would require refresher training.

e. Mobilization Capacity

M - Day	-	165,000
M / 15	-	180,000
M / 30	-	200,000
M / 90	-	250,000
M / 180	-	350,000
M / 360	-	400,000

f. Capabilities: Army currently reorganizing and expanding; rapidly acquiring fair combat capabilities.

g. Soviet Forces in Hungary

Ground Troops (Organized into 2 divisions)	30,000
Security Troops	1,500
Aircraft	200

3. Czechoslovakian Forces

a. Ground

Ground Troops	155,000
Security Troops	20,000
Infantry Divisions	8
Motorized Infantry Divisions	3
Tanks	810

b. Air

Personnel	8,000
Aircraft	500

c. No navy



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[Redacted]

d. Trained Reserves: 1,400,000; many of these would require considerable refresher training.

e. Mobilization Capacity

M - Day	-	175,000
M / 15	-	400,000
M / 30	-	600,000
M / 90	-	900,000
M / 180	-	1,000,000

f. Capabilities: In conjunction with security forces, capable of maintaining internal security, incapable of resisting a major aggressor or conducting offensive operations.

g. Soviet Forces in Czechoslovakia

Ground Troops	1,000
Aircraft	None

4. Rumanian Forces

a. Ground

Ground Troops	240,000
Frontier Guards	39,000
Armored Divisions	1
Infantry Divisions	10
Mechanized Divisions	1
Mountain Divisions	2
Tanks	275

b. Air

Personnel	10,000
Aircraft	348

c. Navy

Personnel	7,500
Vessels:	
Submarine	1
Major (Destroyers)	4
Minor	20

25X1

d. Trained Reserves: About 1,250,000; all would require refresher training.

e. Mobilization Capacity

M - Day	-	279,000
M \neq 15	-	330,000
M \neq 30	-	400,000
M \neq 90	-	450,000
M \neq 180	-	500,000
M \neq 360	-	700,000

f. Capabilities: Incapable of defending country against a major power, or against a country such as Yugoslavia. Rumanian security forces and army together are capable of maintaining internal security.

g. Soviet Forces in Rumania

Ground Troops (Organized into 2 divisions)		30,000
Security Troops		2,000
Aircraft		220

5. Bulgarian Forces

a. Ground

Ground Troops	165,000
Security Troops	73,000
Armored Divisions	2
Infantry Divisions	12
Tanks	735

b. Air

Personnel	8,000
Aircraft	425

c. Navy

Personnel	2,400
Vessels: Submarines	0
Major (Destroyer)	1
Minor	42

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[Redacted]

d. Trained Reserves: Estimated at 450,000; majority would need refresher training.

e. Mobilization Capacity

M - Day	-	238,000
M / 15	-	275,000
M / 30	-	300,000
M / 90	-	375,000
M / 180	-	450,000

f. Capabilities: It could furnish a substantial force to any combined Satellite of Soviet-Satellite operation in southeastern Europe.

g. Soviet Forces in Bulgaria

Ground Troops	2,500
Security Troops	1,000
Aircraft	None

6. Albanian Forces

a. Ground

Ground Troops	40,000
Security Troops	10,000
Infantry Divisions	4
Tanks	80

b. No Air Force

c. Navy

Personnel	800
Vessels:	
Submarines	0
Major	0
Minor	21

d. Trained Reserves estimated at 75,000 men.

e. Mobilization Capacity

M - Day	-	55,000
M / 15	-	65,000
M / 30	-	75,000
M / 90	-	100,000

[Redacted]

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f. Capabilities: Incapable of launching a successful attack against neighboring countries or of withstanding significant aggression.

g. Soviet Forces in Albania

Ground Troops	500
Aircraft	None

III. Economic

A. Strengths

1. Noticeable increase in military production since 1948 and economic potential for war since 1945.
2. Continued growth of basic industries indicated by production estimates based on official releases:

	<u>1940</u>	<u>1948</u>	<u>1951</u>
Coal, Mil. m. tons	166	208	281
Petroleum, Mil. m. tons	31.1	29.3	42
Electric Power, billion KWH	48	66	103.0
Steel, Mil. m. tons	18.3	18.6	31.3

3. Slow gains in consumer goods and major hydroelectric construction.
4. Continued emphasis on self-sufficiency, industrial crops and integration of intra-Orbit production.
5. Increasing Soviet Orbit shipments to Communist China.

B. Weaknesses

1. Factors causing shortages
 - a. Military production and support of the Korean War.
 - b. Western export controls.
 - c. Dependence on non-Orbit countries for merchant shipping, key industrial equipment, and strategic raw materials.
 - d. Lack of managerial and technical personnel.

- e. Shortages in fabricating facilities to meet rising industrial requirements.
- f. Shortages in non-agricultural labor force.

2. Passive resistance of European Satellite workers
 - a. Below-plan agricultural production and consequent slowdown of collectivization.
 - b. Labor unrest

IV. Indications of Trends

A. Military

1. Ground force dispositions indicate little change since the end of World War II, although Soviet troop strength in East Germany increased by over 25%.
2. Satellite forces are conforming to Soviet lines and expanding with Soviet equipment. Total East European Satellite ground strength now exceeds 1,000,000 men.
3. MIG-15 production is standardized in both Soviet and Satellite plants and jet fighters and bombers are rapidly replacing older types.
4. Air defense air forces have apparently been organized for Western USSR and the Transcaucasus area. Polish and Bulgarian air capabilities developed for defense of the Baltic and Southern approaches to the Soviet Orbit.

B. Economic

1. Thirst for strategic products from West shows up in pursuit of clandestine imports and new trade with Latin America and Middle and Far East, and in efforts to undermine Western export controls.
2. Emphasis on heavy industry evident in Silesian Coal and steel development and Balkan industrialization as well as in other Satellites and the USSR. Increased integration of intra-Orbit trade.
3. Stockpiling manifest in the Satellites and continuing in the USSR.

C. Political

Integration of Satellites progresses with government and economic reorganizations, Russian language study, purges and trials of "nationalist" Communist leaders, tightening of police controls and border restrictions and mass deportations.

D. Propaganda

Anti-Western, propaganda plays on national hatreds:

1. Extensive "hate America" campaign throughout USSR and Orbit.
2. Polish and Czech propaganda focus on Germany; Balkan propaganda focuses on Yugoslavia; tactical variations in propaganda correspond to current problems.
3. Efforts to discredit Western and especially US diplomatic missions in Satellites.

V. CIA Estimate

A. Objective: World domination

1. Divide the West and prevent Western, West German and Japanese rearmament and establishment of US overseas bases.
2. Consolidate Soviet power and maintain war-readiness to offset any increase in US and Allied capabilities.
3. Preclude threats to vital Soviet interests or control of Satellites.
4. Expand the Soviet orbit and subvert countries not yet under its domination.
5. Induce neutralism and denial of resources, including strategic sites, to Western Allies.

(NIE-48)

B. Military capabilities:

1. Overrun continental Europe and Near and Middle East (except India and Pakistan)
2. Attempt strategic air offensive against UK and North America.

[Redacted]

3. Carry out sabotage and clandestine attack against US and its allies with atomic, biological, and chemical weapons. (NIE-25)

C. Intentions: to avoid general war in 1952.

1. Means short of general war offer opportunity for advancing objectives.
2. General war in 1952 might cause extensive destruction to USSR and perhaps lead to destruction of Soviet system. (NIE-48)

D. In pursuing aims by means short of war, Kremlin may:

1. Fraudulently propose peaceful coexistence of capitalism and communism, encourage West to hope of settlement of current issues by mutual agreement, and continue "peace" campaign;
2. Exploit fears of war and intimidate West by displays of Communist military force;
3. Raise hopes of Germans for unification, but without any real intention of genuine Soviet concessions from East Germany.

(NIE-50,
NIE-53/1)

4. Use Communist Parties in France and Italy to confound political situation and obstruct effective government;
5. Where non-Communist governments are weak, as in Iran, Indochina, and Burma, seek to strengthen Communist position and, if conditions are favorable, support Communist coups.

(NIE-25)

E. There is continuing grave danger of general war resulting from miscalculation or accident. (NIE-48)

U.S.S.R. - ARMED FORCESSTRENGTHGround

Ground Troops	2,500,000
Security Troops	400,000
Divisions	175

Ground-Dispositions

	<u>Army</u>	<u>Divs</u>	<u>Security</u>
Western U.S.S.R.	1,067,500	76	193,000
Caucasus	270,000	19	52,000
Middle Asia	230,000	17	38,000
Far Eastern	395,000	29	75,000
F.E. - Port Arthur - Dairen area	72,000	4	12,000
East Germany	304,000*	22	20,000
Remainder Europe	<u>161,500</u>	<u>8</u>	<u>10,000</u>
Total	2,500,000	175	400,000

* Pending a complete reestimate, Dept. of the Army tentatively estimates an additional 80,000 individual replacements arrived during 1951.

Air

Air Personnel	520,000
Naval Air Arm	80,000

Air-Dispositions

	<u>E.E.</u>	<u>W.USSR</u>	<u>SW USSR</u>	<u>S.USSR</u>	<u>F.E.</u>	<u>Totals</u>
Fighter: Jet	990	1,480	800	340	190	3,800
Piston	400	1,350	950	700	2,300	5,700
Attack	460	1,130	210	380	670	2,850
Lt. Bomber: Jet	80	120	-	-	-	200
Piston	460	1,450	630	420	1,590	4,550
Medium Bomber	-	350	350	-	-	700
Transport	110	350	160	100	380	1,100
Reconnaissance	<u>100</u>	<u>350</u>	<u>140</u>	<u>140</u>	<u>370</u>	<u>1,100</u>
Total	2,600	6,580	3,240	2,080	5,500	20,000

U.S.S.R. (Continued)Navy

Naval Personnel	600,000
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Navy-Dispositions

	<u>Subs</u>	<u>Major</u>	<u>Minor</u>
Northern	34	24	275
Baltic	134	59	794
Black Sea	57	33	259
Pacific	<u>84</u>	<u>41</u>	<u>346</u>
Total	309*	157	1,674

* 369 - (18 unconfirmed)
 (25 under construction)
 (17 u/i new construction)

TRAINED RESERVES

Trained reserves are estimated at 7,100,000.

MOBILIZATION CAPACITY

M - Day	-	2,500,000
M / 15	-	4,000,000
M / 30	-	8,000,000
M / 90	-	9,000,000
M / 180	-	11,000,000
M / 360	-	12,000,000

POLAND - ARMED FORCESSTRENGTHGround

Ground Troops	275,000
Security Troops	75,000
Infantry Divisions	12
Mechanized Divisions	4
Tanks	600

Air

Air Personnel	9,598
Aircraft	527

Navy

Naval Personnel	7,550
Vessels: Submarines	3
Major: Destroyer	1
Minor	52

TRAINED RESERVES

Trained reserves estimated at 1,500,000. Majority would require refresher training.

MOBILIZATION CAPACITY

M - Day	-	350,000
M / 15	-	420,000
M / 30	-	525,000
M / 90	-	800,000
M / 180	-	1,000,000

CAPABILITIES

Army currently regarded as being effective only for internal security operations on a limited scale and incapable of either independent offensive action or sustained defensive action.

SOVIET ARMED FORCES IN POLAND

Ground Forces (Organized into 2 divisions)	55,000
Aircraft	480

POLAND

CZECHOSLOVAKIA - ARMED FORCESSTRENGTHGround

Ground Troops	155,000
Security Troops	20,000
Infantry Divisions	8
Motorized Infantry Divisions	3
Tanks	500

Air

Air Personnel	8,000
Aircraft	739

Navy

None

TRAINED RESERVES

1,400,000 men have had military training although many of these would require considerable refresher training before being ready for combat.

MOBILIZATION CAPACITY

M - Day	-	175,000
M / 15	-	400,000
M / 30	-	600,000
M / 90	-	900,000
M / 180	-	1,000,000

CAPABILITIES

In conjunction with security forces, Army is capable of maintaining internal security. It cannot resist a major aggressor or conduct offensive operations.

SOVIET ARMED FORCES IN CZECHOSLOVAKIA

Ground Troops	1,000
Aircraft	None

RUMANIA - ARMED FORCESSTRENGTHGround

Ground Troops	230,000
Frontier Guards	39,000
Armored Division	1
Infantry Divisions	9
Mechanized Division	1
Mountain Divisions	2
Tanks	275

Air

Air Personnel	12,040
Aircraft	348

Navy

Naval Personnel	7,500
Vessels: Submarine	1
Major: Destroyers	2
Minor	19

TRAINED RESERVES

About 1,250,000 men have had military training. They would require refresher training in the event of mobilization.

MOBILIZATION CAPACITY

M - Day	-	269,000
M / 15	-	330,000
M / 30	-	400,000
M / 90	-	450,000
M / 180	-	500,000
M / 360	-	700,000

CAPABILITIES

Army is incapable of defending country against a major power, or against a country such as Yugoslavia. Rumanian security forces and Army together are capable of maintaining internal security.

SOVIET ARMED FORCES IN RUMANIA

Ground Troops (Organized into 2 divisions)	30,000
Security Troops	2,000

Aircraft	220
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ROUMANIA

HUNGARY - ARMED FORCESSTRENGTHGround

Ground Troops	150,000
Security Troops	15,000
Rifle Divisions	7
Mechanized Divisions	1
Tank Divisions	1
Tanks	325

Air

Air Personnel	7,065
Aircraft	362

Navy

None

TRAINED RESERVES

About 400,000 men are estimated to have had military training; approximately 250,000 of these would require refresher training.

MOBILIZATION CAPACITY

M - Day	-	165,000
M / 15	-	180,000
M / 30	-	200,000
M / 90	-	250,000
M / 180	-	350,000
M / 360	-	400,000

HUNGARY

CAPABILITIES

The Army is currently reorganizing and expanding. Rapidly acquiring fair combat capabilities within limitation of current strengths.

SOVIET ARMED FORCES IN HUNGARY

Ground Troops (Organized into 2 divisions)	30,000
Security Troops	1,500
Aircraft	70

BULGARIA - ARMED FORCESSTRENGTHGround

Ground Troops	165,000
Security Troops	78,000
Armored Divisions	2
Infantry Divisions	11
Tanks	735

Air

Air Force Personnel	7,800
Aircraft	425

Navy

Naval Personnel	2,400
Vessels: Submarines	0
Major: Destroyer	1
Minor	42

TRAINED RESERVES

Estimated at 450,000 men. Majority would need refresher training.

MOBILIZATION CAPACITY

M - Day	-	243,000
M / 15	-	275,000
M / 30	-	300,000
M / 90	-	375,000
M / 180	-	450,000

BULGARIA

CAPABILITIES

Bulgarian forces can successfully invade northeastern Greece, force initial withdrawal of Greek forces, and possibly defeat them unless Greeks receive major logistical support. By itself, the Bulgarian Army could not successfully invade Yugoslavia or Turkey. It could furnish a substantial force to any combined Satellite or Soviet-Satellite operation in southeastern Europe.

SOVIET ARMED FORCES IN BULGARIA

Ground Troops	2,000
Security Troops	1,000
Aircraft	None

25X1

1 May 1952

A L B A N I A

I. Stability and Orientation

- A. Communist regime, Soviet controlled, totally dependent upon Soviet support, without which economy would be seriously shaken within a few months.
- B. Soviet control reinforced by 1000-1500 Soviet experts in key positions in police, military and civilian administrations.
- C. Reports of rivalry between Premier Hoxha and Minister of Interior Mehmet Shehu of little significance since both men firmly controlled by the Kremlin.
- D. Albanian security forces totaling 10,000 effective in protecting and upholding the Hoxha regime. Indications that the additional harsh measures, inaugurated to suppress resistance elements in 1951, have been effective.
- E. Resistance groups and emigre organizations uncoordinated and objectives frequently clash, simplifying task of Albanian security forces in isolating and destroying individual groups.
- F. Isolation of Albania from the rest of the Soviet Orbit, widespread hostility to regime, extreme poverty and privation and the unreliability of army personnel and party members are factors of instability.

II. Military

Army incapable of successful attack against neighboring countries or withstanding significant aggression.

1. Army totals 40,000, security police 10,000.
2. Trained reserves estimated at 75,000.
3. No airforce; small navy, no major combat vessels.
4. No evidence of Soviet exploitation of strategic location of Albania for air or naval use.

ALBANIA

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III. Economic

1. In spite of intensive effort to modernize and develop economy, standard of living remains lowest in Europe.
2. The USSR and Satellites supply grain, machinery, petroleum products and medicines.
3. Technical personnel from the Satellites supplement Soviet supervisors and engineers in Albanian capital investment enterprises.
4. Industrial expansion with Soviet-Satellite assistance to advance the self-sufficiency of the country in a limited number of consumer goods. Maliq sugar refinery, Stalin textile works, and Lenin hydroelectric project are now in limited operation.
5. Mining and petroleum enterprises being developed to increase exports of strategic raw materials to the USSR.
6. Productivity remains low because of primitive methods and inadequacy of equipment and technical skills.

IV. Indications of Trends

1. Continued and increased penetration by USSR nationals in economic and government posts.
2. Continuing integration of Albania to USSR by means of extensive education programs for Albanians in the Soviet Union.
3. Markedly increased security exercised by the regime, continuing efforts to improve security and security apparatus.
4. Continuing dissidence and anti-regime activity in Albania.

V. CIA Estimate

- A. Continued domination of Albania is a political asset to the Kremlin, but economically Albania is a liability and militarily it is of minor importance, especially so long as it remains territorially separated from the other Satellites.
- B. Resistance activity continues to trouble the Hoxha regime, but it is not an immediate threat. (NIE-42)

ALBANIA - ARMED FORCESSTRENGTHGround

Ground Troops	45,000
Security Troops	10,000
Infantry Divisions	4
Tanks	80

Air

None

Navy

Naval Personnel	800
Vessels: Submarines	0
Major	0
Minor	21

TRAINED RESERVES

Estimated at 75,000 men.

MOBILIZATION CAPACITY

M - Day	-	55,000
M / 15	-	65,000
M / 30	-	75,000
M / 90	-	100,000

CAPABILITIES

Army is incapable of launching a successful attack against neighboring countries or of withstanding significant aggression.

SOVIET ARMED FORCES IN ALBANIA

Ground Troops	500
Aircraft	None

FAR EAST

NORTH KOREA

NORTH KOREA

I. Stability and Orientation

A. Stability assured while rigid police-state controls prevent organized resistance; however:

1. Weakened by brief UN occupation and ravages of war.
2. Threatened by sporadic guerrilla activity and latent uncooperativeness.

B. Firmly oriented towards USSR.

II. Military

A. Communist ground forces under Joint Chinese Volunteer - North Korean Army Headquarters:

1. Over 80 divisions totaling 866,000 men
 - a. Over 60 Chinese divisions, totaling 629,000.
 - b. Over 19 North Korean divisions, totaling 237,000.
2. Three armored and one mechanized divisions have 352 medium and heavy tanks.
3. Seven artillery divisions plus 14 regiments have over 6,000 artillery pieces.
4. Forward supply improved during the winter, increasing future offensive potential beyond former limit of 5 - 11 days imposed by inability to maintain forward resupply.
5. Morale, combat effectiveness and logistic support reported good.

B. Air power predominantly Chinese and based in Manchuria includes:

1. 650 MIG-15 jets
2. 170 Piston fighters
3. 120 Attack aircraft

- 4. 150 Light bombers
- 5. 130 of these comprises North Korean airforce
- 6. Jet strength has increased 70 percent since cease-fire talks commenced

III. Economic

- A. Considerable chemical and metallurgical industry largely destroyed
- B. Exploitation of abundant hydro-electric and mineral resources limited by equipment shortage
- C. Extreme shortage of food and consumer goods indicated

IV. Communist Influence

- A. Government completely a creature of USSR
- B. Chinese influence, through Chinese-trained leaders and presence of Chinese soldiers possible divisive issue
- C. No evidence of friction over Korea between China and USSR

V. Indications of Trends

- A. Continued stalling tactics in cease-fire discussions to force major UN concessions.
- B. Military build-up during cease-fire talks and continuing war-like propaganda indicate possibility Communists may again try to evict the UN from Korea by force.
- C. No indications of abandonment of ultimate aim of dominating Korean peninsula.

VI. CIA Estimate

A. Communist Capabilities

- 1. Maintain or increase present troop strength throughout 1952;

2. If present relative air strength continues, deploy and support 9 to 12 additional divisions;
3. By maximum effort, and if able to interrupt UN air interdiction, commit up to 1,500,000 men;
4. Increase air strength limited only by Soviet capabilities and intentions to lend support.
5. Cannot drive UN from Korea for next few months unless major Soviet units directly committed; but with air build-up unchecked, will be able to damage UN forces severely and may make cost of general UN offensive prohibitive.

B. Communist Intentions

1. Ultimate objective to control all of Korea.
2. Probably desire suspension or termination of present hostilities, but not committed to accept seriously disadvantageous terms.
3. Probably will prolong military negotiations in hope of winning concessions of actual or propaganda value. Some possibility Communists using negotiations to gain time to prepare new offensive.
4. If cease-fire obtains, will probably prolong political negotiations, confident that UN will not renew hostilities and hoping popular pressure will force UN to terms favorable to Communists.
5. In any event, they will not agree to political settlement unless convinced it provides opportunities for ultimate subversion of South Korea.

(NIE-55)

SOUTH KOREA

SOUTH KOREA

I. Stability and Orientation:

- A. Stability assured as long as UN maintains undefeated forces there.
 - 1. Increasing political instability due to ROK executive-legislative feud.
 - 2. Possibility of runaway inflation.
 - 3. Presence of few, but active Communist guerrillas.
 - 4. Remote possibility of irresponsible attempt by government to unify Korea by military force.
- B. Firmly oriented toward US, somewhat nationalistic.

II. Military:

- A. ROK Army, under UN Command, 250,000 men, 10 trained divisions.
 - 1. Force could be tripled, but would then lack equipment and training facilities.
- B. 15-20 conventional fighter planes and an equal number of training and liaison aircraft, reservoir of trained pilots.
- C. Effective navy with 4 to 6 combat ships plus converted minesweepers.

III. Economic:

- A. Limited industrial potential largely destroyed by invasion. Considerable textile producing potential in southeast.
- B. Agriculture not seriously affected by the war. Problems of distribution may cause local food shortages.
- C. Severe inflation aggravated by ROK's printing of currency for UN expenditures.

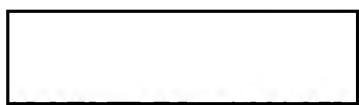
[Redacted]

IV. Communist Influence:

- A. Brief Communist occupation and ravages of war alienated masses.
- B. Clandestine guerrilla force losing effectiveness because of recent UN anti-guerrilla successes.

V. Indications of Trends:

- A. Militarily, South Korea will support UN to extent of its ability.
- B. Insofar as government opposes cease-fire talks, demonstrations and public utterances against talks will continue.
- C. No indications that ROK will undertake action towards the Communists conflicting with UN policy.



KOREA - ARMED FORCESNORTH KOREAN - CHINESE COMMUNISTGround

North Koreans	217,000
Chinese Communists	<u>646,000</u>
Total	863,000

Ground-DispositionCombat Zone: 288,000

Chinese Communists (8 Armies)	228,000
North Koreans (8 Divisions)	60,000

Rear Areas: 541,000

Chinese Communists (9 Armies)	418,000
North Koreans (13 Divisions)	123,000

North Korean Guerrillas	4,000
North Korean Trainees	<u>30,000</u>

TOTAL IN KOREA	863,000
(Armies 17)	
(Divisions 21)	

Air (Based in Manchuria)

North Korean Aircraft	130
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Chinese Communist Aircraft	890
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Navy

North Korean Naval Personnel	2,000
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North Korean Vessels:	Submarines	0
	Major	0
	Minor	20

KOREA (Continued)

UN GROUND FORCES IN KOREA

U.S.	253,384
ROKA	136,338
U.K.	12,223
Australia	852
Philippine	1,354
Turkey	5,069
Thailand	1,309
Netherlands	643
25 CIB Gp	5,551
France	1,048
Greece	907
New Zealand	1,131
Belgium	540
Ethiopia	1,192
Colombia	1,063
Total	422,604

J A P A N

I. Stability and Orientation.

- A. Stable conservative government, continuity of policy supplied by well-trained bureaucracy; Liberal Party has large plurality of popular and Diet support.
- B. Liberal Party position has declined slightly in recent months and party is confronted with factionalism; it promises, however, to remain in power following next general elections, probably shifting more to right with return to political life of depurged former leaders.
- C. Dependent on US for security and political support, as well as raw materials and investment capital not available in Orbit; alignment with US fostered by historical antipathy towards USSR coupled with unpopular policies of Soviets and Japanese Communists; willingness to cooperate with US tempered by desire to trade with mainland China and tendencies toward neutralism. Committed by treaty to close association and joint action with free world.

II. Military

- A. US-Japan security treaty provides for US military forces in Japan until latter able to assume own defense, gradual build-up of Japanese own security forces, with phase-out to start in two years and complete withdrawal of US ground forces in 4 to 5 years.
- B. Strength of Forces.
 - 1. National Police Reserve now 75,000 with expansion to 110,000 planned for 1952. Heavier weapons including anti-aircraft guns and light tanks may be added this year.
 - 2. Maritime Safety Agency, similar to Coast Guard, now 16,000. Expansion to 22,000 planned for 1952. Largest ships now 440 tons, all unarmed, now negotiating for loan of US vessels including frigates.
 - 3. Local and National police, 130,000.

C. Capable of maintaining internal law and order, incapable of repelling full-scale invasion without US assistance; significant pool of trained military personnel available with complementary industrial plant.

III. Economic

A. Japan's rate of industrial production has been increasing rapidly since end of war, reaching 141% of 1932-36 level in January 1952. 1951 exports up 80% over 1950. Minor recession, however, now appearing in early 1952, with some industries, notably textiles and rubber, forced to reduce production.

B. Foreign trade account in balance during 1951, but over 30% exports consisted of US procurement for Korea; imports from dollar area increasing while exports declining, and serious dollar gap in 1951 of approximately \$600 million made up by US procurement and other invisibles.

C. Internal economic stress.

1. While National budget balanced for past three years, increased security expenses and obligations arising out of peace treaty, amounting to almost 25% of 1952 budget, will be serious strain on economy.
2. Korean War inflation, with 34% cost of living rise, combined with overbuying of raw materials at high cost, priced many export products out of international markets, causing numerous business failures.

D. Achievement of economic self-support in long run made difficult by increasing population, loss of empire markets and raw materials, and scarcity of natural resources.

IV. Communist Influence

A. Organization and strength.

1. Registered membership of JCP down to 52,000, actual membership around 100,000, estimated active sympathizers 200,000.
2. Underground organization, in preparation for possible outlawing, near completion; small paramilitary units organized and some training in sabotage and guerrilla activities.

3. JCP has 23 members in Lower House and 3 in Upper House of Diet. Controls only minor segment of labor. No significant popular support.

B. Policies.

1. To weaken US influence in Japan and build up opposition to conservative government.
2. Emphasis on nationalism and encouragement of neutralism as well as condemnation of rearmament, the peace treaty and US-Japan Security Pact.
3. Emphasis currently on strengthening of covert organization, including formation of paramilitary units and acquisition of weapons.

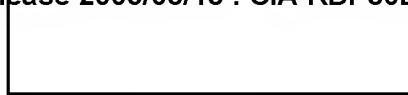
C. Capabilities.

1. Incapable of staging a successful armed rebellion.
2. Current Soviet wooing of Japan with friendly gestures and propaganda arousing some non-Communist hope for Communist trade and potential source of some discontent with pro-US alignment.
3. May be successful in fostering, with help of Socialists, a growth in neutralist and anti-rearment sentiment. Capable of fostering anti-US sentiment among some groups.
4. Capable of limited sabotage.

V. Indications of trends

A. Political

1. Continuation of conservatives in power, trend toward centralization of government power, sensitivity to foreign interference heightened with the restoration of Japan's sovereignty.
2. Revival of rightist societies, no indication as yet of any Communist-rightist alignment.
3. Sentiment favoring limited rearmament gradually increasing.



B. Economic

1. Economy in favorable position so long as Western nations devote major industrial effort toward rearmament.
2. Increasing Japanese concern over fall in US dollar income with end of Korean war, especially since large financial reserves are being tied up in non-convertible sterling.
3. Government making plans to modify labor and anti-cartels legislature in a partial return to prewar economic system.
4. Government will cooperate with the West in export controls but will desire relaxation of current strict controls in order to bring them into closer alignment with Western Europe competitors in the China trade.

C. Soviet Moves

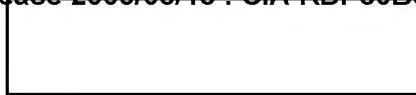
1. During the past six months the Soviet Union has made a series of friendly gestures to Japan. These have included trade offers, Stalin's New Year's message, awarding of a peace prize to Japan's foremost fellow traveler, and invitations to the Moscow Economic Conference.
2. Soviet officials have sharply denounced Japanese defense appropriations as impoverishing Japanese workers and have attacked the presence in Japan of US forces and bases.

D. Soviet and Chinese Communist propaganda has generally attacked the Yoshida Government foreign policies particularly with respect to the Chinese nationalists, as alienating the rest of Asia and as defying the Sino-Soviet alliance.

VI. CIA Estimate

A. Communist Capabilities. Without taking into consideration the employment of US forces, Communist China and the USSR could launch an assault of the following scale and nature on Japan:





1. Substantial air and submarine attacks on Allied lines of communications, ports, and bases;
2. An initial amphibious assault with a force of two to three divisions, coupled with an airborne landing of 9,500 troops;
3. A follow-up landing (providing the initial assault echelons succeeded in seizing port facilities) of up to six divisions;
4. Possible build-up to a strength of fifteen divisions by D+30 and twenty-five divisions by D+60.

B. Communist Intentions.

1. The Soviet almost certainly estimates that an assault on Japan would involve not only a local war with the US but also the probability of general war with the US, consequences which would almost certainly result also from a Soviet-supported attack on Japan by Chinese Communist troops and Soviet-sponsored Japanese POW's.
2. The USSR might risk precipitating general war if it fore-saw an immediate threat to its vital interests. The USSR is not likely to conclude that Japanese rearmament alone constitutes such a threat. The Soviet undoubtedly estimates that an attack on Japan at the risk of general war would not produce decisive results from a global point of view and would result in the loss of its Far Eastern Fleet, its invasion force, the inability further to support the Chinese Communists, and the exposure of Manchuria and the Maritime Provinces.

C. Japanese Intentions.

1. Basic national objectives will be restoration of Japan's position as an independent great power.



(NIE-52 in preparation)

25>



JAPAN - ARMED FORCES

STRENGTH

Ground

No armed forces.

Police Force	approx. 130,000
Police Reserve	75,000

Air

None

Navy

None

TRAINED RESERVES

No organized reserves, Approximately 8,000,000 men received combat training in World War II.

MOBILIZATION CAPACITY

Military manpower potential estimated at 5,000,000. Present economic limitations prevent equipping large armed forces.

CAPABILITIES

Civil police force is adequate to cope with existing internal security problems without assistance from United States occupation forces. Training of National Police Reserve has progressed to the point where, integrated with larger trained units, they would have considerable combat effectiveness.

COMMUNIST CHINA

I. Stability and Orientation

- A. In firm control of China mainland. Popular support decreasing but organized opposition confined to 200,000 scattered guerrillas.
- B. Pro-Soviet, anti-American. Government controlled by Stalinist-led CCP.
- C. Current campaigns: against corruption, ideological "deviation" and US "atrocities"; for increased production and military strength, improved indoctrination, and aid to North Korea.

II. Military

A. Ground Forces:

- 1. Army field forces - 2,232,000, in 69 armies and 227 divisions.
- 2. Military district troops - 1,450,000.
- 3. Discipline, morale, training, leadership all good. Capable of maintaining internal security, resisting attack by any Asian power, launching attack against any or all peripheral areas.
- 4. Paratroopers - 25,000.
- 5. Large quantities of advanced and heavy caliber artillery and other equipment, far in excess of inventories in late 1950.

B. Air Forces: Estimated 1,800 combat aircraft, including 1000 jet fighters, 240 light bombers, in 18 identified air divisions disposed primarily in the Manchuria area but also in East Central, South and Southwest China. Has successfully contested UN control of air over northern border of Korea, may be capable of contesting air in other border areas.

C. Naval forces: 1 cruiser, 8 frigates, 6 gunboats, 48 patrol vessels, 6 auxiliaries, 42 amphibious vessels. Third-rate force, incapable of large-scale combat with modern deep-water navy. Marines, 19,000.

COMMUNIST CHINA



III. Economic

- A. No economic collapse in prospect in near future.
- B. Increased inflationary pressures, but cost-of-living items held fairly stable.
- C. Strategic goods procurement pressed, although shortage of foreign exchange has recently limited procurement from Western sources. USSR and East European Satellites supplying substantial quantities of strategic goods formerly supplied by West. Foreign trade in 1951 reached record high.
- D. Food output--highly important factor in China's prosperity--was some 135 million tons in 1951, about the same as the 1950 harvests. Communists will be able to export at least 2 million tons of foodstuffs in 1952 without critically curtailing home consumption.

IV. Communist influence (Sino-Soviet Relations)

- A. Status within Soviet bloc far superior to that of East European satellites, but capability for independent action may be declining.
- B. Estimated 20,000 to 30,000 Soviet advisors and technicians attached to regime's political, economic and military agencies.
- C. International Communist strategy for Asia apparently relies primarily on indigenous "liberation" movements with primary allegiance to USSR but gives China principal supporting role.
- D. No evidence of Sino-Soviet conflict on any major issue; potential conflicts in Soviet attempt to make China standard satellite.

V. Indications of Trends

A. External Expansion

- 1. Korea: Intention to persist in Korean commitment at least until Communist authority secured north of 38th Parallel and UN forces withdraw from Korea.



2. Southeast Asia: Continued aid to Viet Minh and to Burmese Communists, with continuing possibility of direct military intervention in both Indochina and Burma, encouragement of Communist movements, both predominantly Chinese, in Thailand and Malaya improved liaison through Chinese with Communist movements in Indonesia and Philippines.
3. Formosa: Attempt to annex island or reduce its defenses by political means before undertaking military operation.
4. India-Pakistan: Encouragement of Pro-Communists in border areas with a view to eventual "liberation".
5. Hong Kong - Macao: Continued threat to both colonies indicated.

B. Military

1. Army: Increasing modernization on Soviet model; increasing Soviet control over CCF indicated by extent of Soviet military advisory program; increasing capability for foreign adventures.
2. Air: Increasing strength indicated by appearance of new units; preparations for air offensive operations indicated by growth of CCAF bomber force; increased concern over defense of coastal cities indicated by growing air strength in China proper.
3. Navy: Effort to expand and modernize Navy indicated by reported Soviet advisory program; early acquisition of submarines indicated by submarine training at Dairen; preparations for operations against Formosa indicated by expanded amphibious training.

C. Economic

1. Increased effort to counter effects of Western trade sanctions.
2. Increased effort to avoid inflationary spiral caused by military expenditures.
3. Increased effort to expand industrial output, with emphasis on iron and steel industries.

4. Increased control over peasant masses by acceleration of land reform program.

D. Political

1. Consolidation of Stalinist control of CCP through indoctrination and purges.
2. Imposition of Stalinist world-view on populace, through systematic propaganda and suppression of dissident elements.
3. Tightening of bonds with USSR and satellites, rapid elimination of US influence, increased Chinese Communist activity in Southeast Asia.

VI. CIA Estimate

- A. Communism has not brought an end to traditional Sino-Russian conflicts of interest.
- B. Communist China is not now a Soviet Satellite. It retains capacity to pursue its own domestic and foreign interests and to influence Soviet courses of action.
- C. Communist China appears to have willingly accepted a "junior partner" status. It has constantly professed its identity of interest with Moscow, and has more and more restricted its foreign intercourse to the Soviet Orbit.
- D. Communist China probably has capability to break away from Soviet Orbit if willing to risk serious dissension in military establishment, loss of important border areas (Manchuria, Inner Mongolia, Sinkiang) and possible armed clash with USSR.
- E. Kremlin can exert considerable pressure on Chinese Communists and gradually extend its control by virtue of China's economic and strategic dependence on USSR. However complete Soviet subjugation of the Peiping regime will probably take a number of years.
- F. Sino-Soviet relations probably will continue along present lines for some time. However delicate balance might be upset at any time by unforeseen clashes of interest.

(NIE-58 in preparation)

COMMUNIST CHINA - ARMED FORCESSTRENGTHGround

Field Forces	2,224,000
M. D. Forces	1,450,000
	<hr/>
	3,674,000
Armies	69
Divisions	224

Ground Disposition

	<u>M. D.</u>	<u>Field</u>
Northeast	370,000	237,000
North	300,000	133,000
East	300,000	374,000
Central & South	260,000	403,000
Northwest	120,000	102,000
Southwest	100,000	314,000
Indochina		15,000
Korea		646,000

Note: Indochina-Burma border - There are 160,000 Chinese Communist Field Forces within 150 miles of the Indochina-Burma border.

Opposite Taiwan - Of the 374,000 Chinese Communist Field Forces in East China, 120,000 could be used in offensive operations against Taiwan without jeopardizing internal security.

Air

Air Personnel	20,000
Aircraft (Includes 900 jet fighters of undetermined subordination and 130 NKAF)	1,700

Navy

Naval Personnel	31,000
Vessels: Submarines	0
Major	10
Minor	98

TRAINED RESERVES

Approximately 6,000,000 poorly trained and partially armed "People's Militia" form a reserve organized on a local basis.

25X1

Approved For Release 2003/08/18 : CIA-RDP80B01676R002700110004-9
Communist China

MOBILIZATION CAPACITY

M - Day	-	3,604,000
M / 30	-	4,000,000
M / 180	-	5,000,000

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Approved For Release 2003/08/18 : CIA-RDP80B01676R002700110004-9

T A I W A N

I. Stability and Orientation

- A. One-party republic controlled by Kuomintang.
- B. Future completely dependent on US support.
- C. Oriented toward US.

II. Military**A. Strength of Forces**

- 1. Army: 478,000 troops, 12 armies; 38 infantry Divisions; 4 armored groups; 1 paratroop group of 5,000; 3 Fort Commands; 5 Artillery Regiments; 2 Tank Battalions.
- 2. Navy: 38,710 men with 161 miscellaneous craft, largest of which are destroyer-type vessels.
- 3. Air: 67,393 men, 611 aircraft.
- B. Army dispositions - bulk of combat forces, 345,000, on Formosa; balance on Matsu, Ta Chens, Pescadores, and Quemoy Islands.
- C. Trained Reserves: - 3,700 officers and noncommissioned officers.
- D. Materiel is heterogeneous, poorly maintained, and barely sufficient to meet minimum requirements.
- E. Any additional mobilization would overtax the capacity of the Nationalist regime, and in any case, would depend on extent of outside support.
- F. Incapable of withstanding a major assault by the Chinese Communists.

III. Economic

- A. Production, agricultural and industrial, has increased although still below pre-war levels.

TAIWAN

B. Production insufficient to support large military and civil establishment now maintained by Nationalists; Gold reserves brought from mainland depleted and Nationalists dependent on continued US aid.

IV. Communist Influence

A. Internal - Nationalists have reduced Communist subversive potential to extent that it would no longer constitute a serious threat even if coordinated with limited surprise attacks or a large-scale invasion.

B. External Chinese Communist threat to Formosa:

1. Communist ground forces opposite Formosa, 249,000 forces deployed in Canton and Shanghai, 151,000.
2. Communist air strength, 1,800 planes. Now in China Proper, probably available for Taiwan operation: 350 jets, 80 conventional fighters, 40 ground attack planes, 80 light bombers and 130 transports. Within 500 miles of Taiwan, there are 32 major airfields which are either in operational status or which easily may be brought to a ready condition. Four of these are capable of accommodating jets and within MIG-15 range of Taiwan. 25,000 paratroops.
3. Communist Navy comprises 80 vessels, largest of which are patrol frigates. With heterogeneous assortment of shipping, Communists could lift 200,000 troops and with conventional shipping only, could lift 60,000.
4. Major redeployment and logistic build-up of amphibious strength in East China would be necessary before all-out Chinese Communist assault against Formosa could be launched.

V. Indications of Trends

A. Reforms, requested by the US and made by the Nationalists in certain aspects of government management, indicate increasing cooperation with the US for reasons of survival.

- B. Continued pronouncements concerning plans to return to the China mainland indicate a trend toward a build-up of military strength for an invasion of the mainland and to maintain morale on Formosa.
- C. Strong influence of political police in the government and armed forces indicates continuation of Nationalist control of the island and Communist inability for subversive action.
- D. No indications of imminent Chinese Communist invasion of Taiwan. Chinese Communist military dispositions in Southeast China appeared aimed at the reoccupation of the offshore islands held by Chinese Nationalist and guerrilla forces.

VI. CIA Estimate

- A. Nationalist combat effectiveness is poor due to inadequate materiel and training, incompetent leadership, and low morale. The Nationalists alone could not defend Taiwan against large-scale Communist assault.
- B. The Communists, if they attempted such an assault, would face serious logistical difficulties. If promptly resisted by US naval and air forces, they would be defeated.
- C. Under present circumstances, therefore, a Communist invasion attempt is unlikely.

(NIE 27/1)

CHINESE NATIONALIST - ARMED FORCESSTRENGTHGround

Ground Troops	(Taiwan 386,000)	
	(Offshore Islands 69,000)	455,000

Infantry Divisions	38
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Tanks	522
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Air

Air Personnel	66,609
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Aircraft	845
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Navy

Naval Personnel	40,220
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Vessels: Submarines	0
Major	7
Minor	154

TRAINED RESERVES

3,700 officers and noncommissioned officers in Organized Reserves.

MOBILIZATION CAPACITY

In the present situation, any significant mobilization beyond the number of troops now under arms would overtax the capacity of the Nationalist Government Mobilization, in any case, would depend on extent of outside support.

CAPABILITIES

The Chinese Nationalist forces are incapable of withstanding a prolonged and determined all-out assault by Chinese Communist forces.

P H I L I P P I N E S

I. Stability and Orientation

- A. Stability increased during past year as a result of more aggressive military action against Huks. Major weaknesses at widespread corruption and incompetence.
- B. Both major parties firmly anti-Communist.
- C. Foreign policy closely associated with that of US on East-West issues.

II. Military

- A. Total forces: 55,118
- B. Equipment all of US origin, much obsolescent but improved by receipt of MDAP material.
- C. Armed forces currently capable of preventing overthrow of government, but not of preventing sporadic Huk raids. Not capable of resisting major external attack.

III. Economic

- A. Dependent upon satisfactory prices for principal exports: copra, sugar, hemp. Economy remains closely tied to US.
- B. Rice production (1.8 million tons) slightly below requirements, imports averaging 100,000 tons annually.
- C. Budgetary position improved during the past year but revenues provide only minimal services.
- D. No facilities for munitions production.

IV. Communist Influences

- A. Communist-led Huk movement, armed strength below 10,000, has some popular support in Luzon as result of long-standing agrarian abuses.

- B. Huk capabilities declined in past year following aggressive campaigning by armed forces.
- C. Labor strength disorganized as a result of legal action against Communist-dominated unions.
- D. Small proportion of Chinese population active in the Communist movement.

V. Indications of Trends

- A. Uniquely free elections last November renewed public confidence in democratic process.
- B. Strength of armed forces relative to dissident elements at post-war peak.
- C. Government shows little initiative in social and economic reform leaving fertile field for Communists to exploit.

VI. CIA Estimates

- A. Government stability promises to increase as a result of:
 - 1. Renewed public confidence in government following honest elections;
 - 2. Diminishing threat of Communist-led Huks;
 - 3. Projected social reform program.
- B. Orientation towards US is confirmed by:
 - 1. Conclusion of Mutual Defense Treaty;
 - 2. Continuing participation in MDAP and MSA aid programs;
 - 3. Concessions to US point of view in Japanese Peace Treaty negotiations.

PHILIPPINE REPUBLIC - ARMED FORCESSTRENGTHGround

Ground Troops	39,900
Constabulary	7,000
Military Service Trainees	1,700
 Battalion Combat Teams	26
 Tanks	21

Air

Air Personnel	3,296
 Aircraft	221

Navy

Naval Personnel	3,020
 Vessels:	
Submarines	0
Major	0
Minor	60

TRAINED RESERVES

On paper, 5 reserve divisions and supporting units at 60 percent strength, composed of part of 125,000 ex-guerrillas; 30,000 ex-Philippine Scouts; ROTC graduates; and former conscripts.

MOBILIZATION CAPACITY

M - Day	-	48,600
M / 15	-	52,000
M / 30	-	60,000
M / 90	-	70,000
M / 180	-	90,000
M / 360	-	125,000

CAPABILITIES

Armed Forces are capable of maintaining a reasonable degree of internal security, though not of preventing dissident attacks. They are not capable of resisting a major external attack, but their geographical isolation renders such an attack improbable at present.

SOUTH EAST ASIA

I N D O C H I N A

I. Stability and Orientation

- A. Vietnam Government unstable, subject to strong internal stresses from political rivalry and to pressure from French authorities; no popular support.
- B. Cambodian and Laotian governments relatively stable in that they are hereditary monarchies whose public services assured by French advisers and technicians. Cambodian officials increasingly intransigent in dealing with French authorities.

II. Military

- A. FAEO (French expeditionary forces and attached Indochinese forces) include more than 400,000 troops; outnumbers Viet Minh almost two to one; US military aid of critical importance to FAEO.
- B. Vietnam Army has regular forces of 32,000 plus 83,000 auxiliaries; not capable of functioning independently of the French Command. Total Vietnamese manpower in the FAEO over 260,000, including 68,000 in French regular army.
- C. Vietnam Government has instituted military conscription; aim is to establish eight divisions by the end of 1952.
- D. General staff not fully established; cabinet does not include full-time Defense Minister; no munitions industry in Vietnam outside Viet Minh zones.

III. Economic

- A. Overwhelmingly agricultural; most important exports rice, rubber, coal; unfavorable balance of trade.
- B. There are a few light industries, the most important of which is a cement factory at Haiphong.
- C. Slight prospects for economic development in the short run, with exception of rice-producing region, now under Viet Minh control, which had a prewar annual surplus of 1 million tons of rice.

INDO-CHINA

IV. Communist Influence

- A. Large part of Vietnam, including about half population, under control of Communist-led Viet Minh.
- B. Except for Viet Minh terrorism and activities of local Chinese Communists, no widespread Communist influence in French-Vietnam zone; considerable sympathy among non-Communist Vietnamese for principle of armed resistance to French control.

V. Indications of Trends

A. Military

- 1. No indications of imminent Chinese Communist full-scale intervention.
- 2. Viet Minh operations against French forces, supported by Chinese Communist material and technical aid, will continue at a reduced level until September, the end of the rainy season.
- 3. Viet Minh forces apparently retain good morale despite heavy casualties and high sickness rate.
- 4. Increased supplies from Communist China and improved tactics have permitted more prolonged and better coordinated attacks by Viet Minh forces.
- 5. Chinese Communist improvement of railroads, roads and bridges on approaches to Tonkin will facilitate increased rate of delivery if needed.
- 6. Viet Minh operations may spread to further areas in the future.

B. Political

- 1. Viet Minh success in infiltrating Tonkin delta during December-January 1952 campaigns is another indication of continuing failure of Bao Dai government to inspire effective popular opposition to Viet Minh.
- 2. French policy will continue to oppose modification of agreements with Vietnam to permit political evolution of Vietnam along British Commonwealth pattern.

3. Vietnamese nationalists will continue to demand removal of French political and economic controls; few able Vietnamese will collaborate with French or with French-controlled Vietnamese government.

VI. CIA Estimate

A. Capabilities

1. Franco-Vietnamese will probably be able to maintain approximately their present military positions in Tonkin.
2. Viet Minh will probably be able to resume successful tactics of severe attrition and infiltration of French lines after end of rainy season.
3. Chinese Communists could commit and support logistically 150,000 troops, regardless of commitment in Korea; force Franco-Vietnamese to evacuate Tonkin before effective resistance could be brought to bear; expand present material and technical assistance to Viet Minh and commit "volunteer" troops.

B. Intentions

1. French will attempt to reduce commitments by seeking additional US financial assistance and an "internationalization" of the defense of Indochina if such assistance fails short of requirements.
2. Chinese Communists will not invade Indochina because of World Communist strategy, present Viet Minh successes, secondary importance of Indochina to Peiping, and concern over possible Western retaliation; however will gradually increase scale and nature of assistance to Viet Minh and, if necessary to meet Viet Minh manpower requirements, commit "volunteers".

(NIE 35/1)

INDOCHINA - ARMED FORCESVIET MINHGround

	<u>Tonkin</u>	<u>Annam</u>	<u>China</u>	<u>Cochin-</u>	<u>Cambodia</u>	<u>Laos</u>	<u>Total</u>
Regular Forces	90,000	25,000	15,000		---	---	130,000
Regional Forces	35,000	15,000	10,000		5,000	5,000	70,000
Divisions	7						
Regiments	12						
Battalions	15						

Air

None

Navy

None

FRENCHGround

	<u>Tonkin</u>	<u>Annam</u>	<u>China</u>	<u>Cochin-</u>	<u>Cambodia</u>	<u>Laos</u>	<u>Total</u>
Regular Forces	100,000	20,000	50,000		7,000	8,000	185,000
Assoc. States Regulars	15,000	26,000	18,000		9,500	8,500	77,000
Divisions	2						
Regiments	8						
Battalions	150						

Air

French have approximately 200 tactical aircraft in Indochina.

Navy

French vessels: Submarines 0
 Major 2
 Minor 12 plus misc. amphibious craft.

B U R M A

I. Stability and Orientation**A. Stability**

1. Regime having difficulty maintaining itself against armed opposition. Unlikely to be overthrown in near future so long as insurgents remain divided and Communist China does not intervene.
2. Continuing threats: (1) Factionalism within dominant Socialist Party; (2) Possible military coup d'etat.

B. Orientation

1. Prime Minister strongly anti-Communist.
2. Parliament dominated, however, by leftist Socialist Party.
3. Socialists strengthened parliamentary position in recent elections. Cabinet enlarged to accommodate more doctrinaire members.
4. "Neutral" foreign policy has resulted from: (1) fear of provoking Communist China; (2) desire to avoid entanglement in global war; (3) xenophobic nationalism; (4) influence of Indian foreign policies.
5. Government has become far less hostile to US and the West. Continued suspicions, however, are indicated by: (1) refusal to accept US military aid, (2) hesitancy to accept MSA economic assistance, (3) voting record in UN.

II. Military Strength

- A. Total: 50,000 troops; training, equipment, discipline poor.
- B. Capable of taking a specific objective, but at price of risking security elsewhere.
- C. Resistance to Chinese incursion would be ineffectual.
- D. Completely dependent upon foreign sources for munitions.

III. Economic Capacity

- A. Seriously reduced as result of WW II and postwar insurgency.
- B. Rice exports, mainstay of economy, at one-third prewar volume.
- C. Timber and mineral exports reduced to trickle.
- D. Dependent upon imports for almost all manufactures (primarily textiles and consumer hardware).

IV. Communist Influence

A. Insurgent Forces

- 1. Include (1) Burma CP, (2) CP Burma, (3) "Revolutionary" Peoples Volunteer Organization, (4) Burma Army Mutineers, and (5) Karen National Defense Organization.
- 2. Control large areas hinterland.
- 3. Propaganda reaches and influences large part of population.
- 4. Incapable of overthrowing government without Chinese assistance.

B. Non-insurgent, pro-Communist Forces

- 1. Include Burma Workers and Peasants Party and lesser parties and groups.
- 2. BWPP rapidly becoming chief spokesman of political opposition to Government.
- 3. Government takes no action--especially in foreign relations---without giving serious consideration to pro-Communist reaction.
- 4. BWPP sympathizers and other extreme leftists are found in the highest ranks of government, the military, and Socialist Party.
- 5. Soviet--and particularly Chinese Communist Embassy--actively promoting the Communist cause.

V. Indications of Trends

- A. No indications that present military stalemate will be resolved in near future without foreign intervention or upheaval in Rangoon.
- B. Burma CP proceeding with program for expanding Peoples Democratic Front to encompass all insurgent elements preparatory to establishment of "Peoples Democratic Republic" in North Burma.
- C. Communists (roughly 5,000 ?) moved large part of forces northward, now concentrated in north central Burma. No reliable evidence that Chinese Communists are as yet providing them significant assistance.
- D. Jealousies and rivalries between various insurgents still preventing formation of effective united front.
- E. Indications if Chinese threat increases or military tide runs against government the appeasers will become increasingly influential.
- F. Weak government and extensive leftist sentiment leave Burma a promising area for the expansion of Communist world.

VI. CIA Estimate

A. Capabilities

- 1. Government Forces numerically superior to insurgents, but:
 - a. Inadequately trained and equipped;
 - b. Suffer from chronic weakness of Government;
 - c. Inadequate to stamp out guerrillas or cut communications between insurgents in North Burma and Chinese Communists.
- 2. Burmese Insurgents consist of loose coalition of two Communist groups and traditionally anti-Communist Karen, but
 - a. Closer coalition and military coordination in prospect;

b. Even without direct Chinese Communist intervention, Burma Communists probably can win control over much of North Burma within a year or 18 months.

3. The Chinese Communists are capable of

- a. Directly invading, with some 50,000 troops, bringing Communist control to all North Burma in two or three weeks and to the strategic central valley in a few months;
- b. Introducing considerable number of "volunteers";
- c. Increasing material and technical aid;
- d. Propaganda and subversive activities, including intimidation of the extensive Chinese population.

B. Chinese Communist Intentions

1. Obtain objectives in Burma by methods short of direct intervention, hence probably not invade in near future. Introduction of Chinese Communist "volunteers" in considerable numbers is continuing possibility.

2. Chinese Communist control of Burma would:

- a. Drive wedge between India-Pakistan and Southeast Asia.
- b. Facilitate Communist penetration into Indochina and elsewhere in South and Southeast Asia.
- c. Give access to potentially richest rice surplus area in Asia.

C. Prospects for Survival of Present Regime

Government not likely to survive over the long run unless great increase in political and military strength. Government hesitant to accept Western economic and military assistance. Its position may be undermined before it accepts assistance from the West. (NIE 36/1)

BURMA - ARMED FORCESSTRENGTHGround

Ground Troops	32,500
Territorial Force	3,000
Union Military Police	12,500
Brigades (no divisions)	3
Tanks	Unk.

Air

Air Personnel	591
Aircraft	50

Navy

Naval Personnel	1,440
Vessels: Submarines	0
Major	0
Minor	24

TRAINED RESERVES

No significant trained reserves.

MOBILIZATION CAPACITY

M - Day	-	48,000
M / 15	-	50,000
M / 30	-	52,000
M / 90	-	60,000
M / 180	-	75,000
M / 360	-	100,000

CAPABILITIES

Army is not at present capable of securing internal peace and order or of offering effective resistance to either armed incursions or direct attacks by Chinese Communist forces.

T H A I L A N D

I. Stability and Orientation

A. Stability limited [redacted]
Rivalries between various factions can result in coup d'etat at any time.

B. No internal force presently capable of challenging the ruling [redacted]

C. Orientation strongly anti-Communist, regardless of foreseeable change in government. Consistent support of West in UN, one of few Asian countries with troops in Korea. Readily accepts US military and economic assistance.

25X6

25X6

II. Military

A. Military forces, including National Police, about 80,000.

B. Capable of maintaining internal security, but could not effectively resist attack by Communist China.

C. Military forces suffer from top-heavy structure, traditional involvement in politics, unfamiliarity with concepts of modern warfare, lack of aggressiveness among junior officers, inadequate training, poor status of arms and equipment.

III. Economic

A. Rice production, mainstay of the economy, steadily increased to over 4 million tons; of which 1.2 million tons exported. Top world rice exporter for past two years. Rubber 100,000 tons and tin 10,000 tons exports also important.

B. Widespread corruption has sprung up in the steady extension of governmental control over economic activity.

IV. Communist Influence

A. Activity most pronounced among the 3,000,000 Chinese in Thailand.

B. Small Thai CP ineffectual. Controlled by local branch of the CCP.

THAILAND

25X1



- C. Most of large group of Vietnamese in Thailand sympathetic to Ho Chi Minh.
- D. Prosperity, veneration of monarchy and Buddhism provide infertile ground for Communism.
- E. Chinese sympathizers somewhat disillusioned by developments in China.

V. Indications of Trends

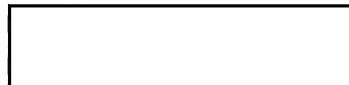
- A. No indication that Government will alter pro-West, anti-Communist orientation, but long tradition of accommodation to the dominant force.
- B. Numerous indications of continued rivalry within [redacted] and between government leaders and King, conducive to coups d'etat and progressive weakening.

25)

VI. CIA Estimate

- A. Thai Capabilities. Present or planned military aid will not in the predictable future enable it to resist Chinese Communist attack.
- B. Chinese Communist Capabilities. If Chinese Communists establish control over Indochina and continue military advance into Thailand, Thailand would rapidly fall unless the UN or Western Powers intervened. After token resistance, Thailand would soon install a government acceptable to the Communists in hope of retaining at least a semblance of autonomy. Thailand will become increasingly susceptible to Chinese Communist subversion under threat of physical aggression.
- C. Communist Intentions. Chinese Communist seizure of Thailand is improbable except as a by-product of hostilities in either Burma or Indochina.

(NIE-20)



25)

THAILAND - ARMED FORCESSTRENGTHGround

Ground Troops	34,000
Regiments (no divisions)	14
Tanks	70

Air

Air Personnel	6,720
Aircraft	366

Navy

Naval Personnel	16,450
Vessels:	
Submarines	4
Major	10
Minor	59

TRAINED RESERVES

An estimated 200,000 former conscripts have had partial training.

MOBLIZATION CAPACITY

While lacking formal mobilization system, Army could more than double its strength in several months so far as manpower is concerned.

CAPABILITIES

The Army, in conjunction with the National Police, is capable of maintaining internal security, but it could not resist an attack by a numerically superior Chinese Communist force.

SOUTH ASIA

India
Pakistan
Afghanistan
Ceylon

I. Stability and Orientation

A. Governments fairly stable and conservative.

1. India: Congress Party control somewhat weakened in recent elections, but still strong in national Parliament.
2. Pakistan: Moslem League hierarchy still dominant.
3. Afghanistan: Ruling dynasty not strong, but has no effective opposition.
4. Ceylon: United National Party coalition controls government, but has only slight majority over combined opposition. National elections are imminent.

B. Kashmir dispute between India and Pakistan and Pushtoonistan dispute between Pakistan and Afghanistan weaken stability.

C. All governments drawn toward West by economic, historical, and cultural ties, but seek to remain neutral in East-West conflict.

1. India and Afghanistan actively neutral.
2. Pakistan and Ceylon fundamentally pro-Western, but currently engaged in some actions unfavorable to Western interests.

II. Military Strength

A. India and Pakistan have fairly large and effective forces, hampered by command inexperience and dependence upon foreign sources for heavy equipment.

1. India: Army over 400,000.
2. Pakistan: Army slightly over 200,000.

B. Indian and Pakistani armies capable of countering any likely external military threat within the next year or two.

C. Afghanistan and Ceylon insignificant.

III. Economic Situation

- A. Economically backward, dependent mainly upon West for trade, finance, and funds for economic development. Trade with Japan and China increased in the last year, however.
- B. India: Faced with heavy population pressure, food shortages, and deteriorating industrial equipment difficult to replace because of dollar shortages.
 - 1. \$190,000,000 loaned by US for food purchases in 1951.
 - 2. \$50,000,000 in US grant aid in 1952.
 - 3. Requires large-scale external financial assistance for 1953.
- C. Pakistan: Fewer economic problems than India.
 - \$10,000,000 in grant aid by US in 1952.
- D. Afghanistan: Relatively poor but stable economy, major income from karakul skin sales in United States.
 - Oil supplies uncertain because of Iranian situation.
- E. Ceylon: Fairly stable economically, but subject to seasonal food crises.

IV. Communist Influence

Communists and leftists threaten existing governments in India and Ceylon, are incapable of doing so in Pakistan and Afghanistan.

- A. India: Communist strength apparently considerably greater than in 1951.
 - 1. Communist election successes have hindered the formation of stable governments in several Indian states.
 - 2. Soviet and Chinese Communist propaganda has wide appeal, and cultural delegations have been well received.
- B. Pakistan: Communist Party small, disorganized; no immediate threat to security.
- C. Afghanistan: Communist influence present, but no CP yet exists.
- D. Ceylon: Coalition of Trotskyite Communist Party and independent Freedom Party threatens United National Party, weakened by recent death of Prime Minister.

V. Indications of Trends

A. India

1. Communist deputies elected to national Parliament for first time (28 out of 497); Communists strongly represented in state governments of Madras, Travancore-Cochin, and Hyderabad; first non-Congress Party government formed in Patiala and East Punjab States Union.
2. Food production not keeping pace with population growth.
3. Communist agitation developing in south India and along Himalayan frontier.
 - a. Communist deputies in state assemblies use positions as sounding boards for propaganda.
 - b. Some Kashmiris and Chinese Communists advocate autonomy for Kashmir. Latter claim Indian border territories are Chinese.
 - c. Coordination of Indian and Chinese Communist activity in eastern India, Himalayan states, and Tibet reported.
4. Indian Government security measures of dubious effectiveness along Himalayan frontier.

B. Pakistan

1. Government in complete control.
2. No sign of deep popular feeling on Kashmir issue despite press outcry.
3. Commitments in Kashmir used as excuse for not contributing military forces for Korea or Middle East Command.
4. Government assumes position of leadership on Tunisian problem and Middle Eastern consultative committee question.

C. Ceylon

Soviet-Satellite ships continue to load rubber at Colombo for Communist China.

D. Kashmir

Solution of problem is distant despite reportedly hopeful signs.

VI. CIA Estimate

A. India

1. Congress Party will retain control of government but may lose strength during the next few years.
2. Communist potential probably will increase as a result of prestige and opportunities for agitation achieved during recent national elections.
3. Internal economic and social conditions will worsen unless large-scale foreign financial support is received.
4. Chinese Communist, Soviet, and Indian Communist pressure along India's northern and eastern frontiers will increase.
5. Government will become increasingly concerned over internal and external Communist threat; its security measures in Himalayan region may antagonize the people of Nepal, Sikkim, and Bhutan.
6. India will not abandon neutrality for a pro-Western stand unless its borders were directly threatened.

B. Pakistan

1. Moderate, fundamentally pro-Western Moslem leadership will continue in control, though it will adopt a more orthodox Islamic viewpoint and will remain politically neutral between East and West.
2. Political or military commitments to the West are unlikely until the Kashmir dispute is settled.

C. Kashmir

1. No early settlement will result from Graham's latest attempt to obtain agreement on matters of troop dispositions.
2. War between India and Pakistan over Kashmir is unlikely.
3. Friction may develop between the Indian Government and that of Indian-held Kashmir.

INDIA - ARMED FORCESSTRENGTHGround

Ground Troops	400,000
State Forces	25,000
Infantry Divisions	6
Armored Division	1
Tanks	1,130

Air

Air Personnel	12,685
Aircraft	481

Navy

Naval Personnel	7,500
Vessels:	
Submarines	0
Major	4
Minor	30

TRAINED RESERVES

Trained reserves are estimated at 1,500,000 but are organized.

MOBILIZATION CAPACITY

M - Day	-	406,000
M + 15	-	500,000
M + 30	-	600,000
M + 90	-	700,000
M + 180	-	800,000

CAPABILITIES

Army is capable of maintaining internal security and could successfully defend India against attack by any neighboring country or the U.S.S.R. in view of the terrain and logistic difficulties which would confront any attacker.

INDIA

PAKISTAN - ARMED FORCESSTRENGTHGround

Ground Troops	191,000
State Forces	41,000
Frontier Corps	16,000
Azad-Kashmir Forces	13,000
National Guards (Active)	6,700
Infantry Divisions	7
Armored Brigade	1

Air

Air Personnel	7,795
Aircraft	257

Navy

Naval Personnel	4,000
Vessels: Submarines	0
Major	3
Minor	16

TRAINED RESERVES

Pakistan has a part-time National Guard, unarmed, with a personnel strength of around 47,000. (6,700 have been called to active duty since October 1950.)

MOBILIZATION CAPACITY

M - Day	-	267,700
M / 15	-	270,000
M / 30	-	315,000
M / 90	-	450,000
M / 180	-	650,000

CAPABILITIES

Army has sufficient forces to maintain internal security. Can successfully resist invasion by Afghanistan but not by India.

PAKISTAN

AFGHANISTAN - ARMED FORCESSTRENGTHGround

Ground Troops	66,000
Gendarmerie	14,500
Infantry Divisions	11
Tanks	12

Air

Air Personnel	168
Aircraft	33

Navy

None

TRAINED RESERVES

No organized reserve system. An estimated 150,000 men have been trained since 1945 based on average yearly turnover of 25,000 conscripts. Potential additional reserves among tribesmen about 200,000.

MOBILIZATION CAPACITY

M / Day	-	80,500
M / 15	-	90,000
M / 30	-	100,000
M / 90	-	130,000
M / 180	-	160,000

CAPABILITIES

Army is capable of maintaining internal security. It would be unable to defend the country effectively against outside aggression.

AFGHANISTAN

NEAR EAST AFRICA

I R A N

I. Stability and Orientation

Prime Minister Mossadeq and National Front retain predominant political position for the present, although popularity and prestige of government have declined slightly recently.

- A. Oppose foreign influence or entanglements, in line with traditional policy of balancing great powers against each other.
- B. Support free speech, reduction of power of Shah and army; supporters use terrorism freely.
- C. Shah afraid to use constitutional powers and control of Army to remove Mossadeq.
- D. Conservative opposition latent and unorganized, but has increased.

II. Military Strength

Armed Forces total 157,500.

- A. Capable of maintaining internal order but only of brief delaying action against Soviet attack.
- B. US aid has improved training and equipment but lack of equipment and ineffective leadership are major handicaps.
- C. US military missions still in Iran; Prime Minister presented necessary assurances for resumption of US military aid on 25 April 1952 after three month stoppage.

III. Economic Situation

- A. Loss of oil revenues faces government with bankruptcy unless:
 - 1. Foreign Aid is received.
 - 2. Currency backing is drawn on.
- B. Agreement reached on 23 million dollar loan under Point IV program.
 - 1. 25 million dollar Export-Import Bank loan held up.
 - 2. International Bank efforts to find interim oil settlement suspended.

IRAN

[Redacted]

3. Oil negotiations with Satellites and some Western companies continue, but no oil sold and no sign that it will be in near future or that if it is, the amount will be significant. Sale of oil to a Russian orbit country would involve the Battle Act.

IV. Communist Influence

Tudeh Party growing; not yet capable of coup.

- A. Actual membership estimated at 15,000. Supporters several times that figure.
- B. Concentration on current elections and expanding strength and political influence.

V. Indications of Trends

A. Drift from West

1. Increasing trade with Soviet Bloc and apparent willingness to sell oil to Satellites if unable to market it in West.
2. Continued reliance by government on anti-British sentiment to obtain popular support for government.
3. Closing of foreign cultural offices (including USIE) in provinces.

B. Weakening of government authority.

1. Economic pinch increasing criticism of government.
2. Mossadeq, temporarily at least, seeking Shah's assistance.
3. Increasing lag in payment of government obligations.
4. Continued approval of National Front terrorism as anti-Communist tactic.

C. Gains in Tudeh strength.

1. Increasing Tudeh following and growth of Communist Front activities.
2. Some penetration of government ministries and Army.
3. Emphasis on political activity.

VI. CIA Estimate

- A. Little prospect for oil settlement through International Bank or directly.
- B. In absence of oil settlement:
 - 1. Significant oil revenues unlikely either from Soviet Bloc or other customers.
 - 2. Mossadeq or some other National Front leader likely to remain in power under present circumstances.
 - 3. Position of present government increasingly threatened, however, by cumulative effect of loss of oil income and problem of satisfying basic economic and social demands of people.
 - 4. Mossadeq government will have to obtain outside aid or draw on financial reserves within next month or two to remain solvent.
 - 5. Even if fiscal crisis is averted, popular discontent is likely to grow and require economic reforms and use of strong-arm methods.
 - 6. If conservative government replaces present one in immediate future, it would require authoritarian measures and concessions to Nationalist sentiment.
 - 7. Tudeh coup not imminent but potential will substantially increase unless stricter controls are enforced. (NIE-46)

IRAN - ARMED FORCESSTRENGTHGround

Ground Troops	130,000
Gendarmerie	20,500
Infantry Divisions	9
Brigades	4
Tanks	278

Air

Air Personnel	4,429
Aircraft	298

Navy

Naval Personnel	2,600
Vessels:	
Submarines	0
Major	0
Minor	16

TRAINED RESERVES

There is no effective reserve system in Iran. There are about 235,000 men who have been trained since 1945. Potential additional reserves among the tribesmen number about 100,000.

MOBILIZATION CAPACITY

M - Day	-	150,000
M / 15	-	150,000
M / 30	-	160,000
M / 50	-	200,000
M / 180	-	270,000
M / 365	-	350,000

CAPABILITIES

Army is normally capable of maintaining internal security, but this capability may be impaired as a result of lack of Government direction. Army would be incapable of anything more than harassing actions or a very brief delaying action against invasion by a major power.

E G Y P T

I. Stability and Orientation

- A. Hilali government has the support of King Farouk; does not have wide popular support; martial law still in effect with Parliament dissolved and elections indefinitely postponed.
- B. Government's stay in power dependent upon King, who was solely responsible for its appointment; effective opposition by majority (Wafd) party hampered because of Parliament's dissolution and indefinite postponement of elections.
- C. Government pro-West, anti-extremist, but shares general Egyptian aspirations regarding the Suez base and Sudan issues.

II. Military Strength

- A. Armed forces total 83,500.
 - 1. Able to maintain internal security.
 - 2. Unable to withstand major aggressor.
- B. Equipment largely British. Since British arms shipments stopped in late 1951, arms agreements have been negotiated with Switzerland, Spain, and Czechoslovakia.

III. Economic Situation

- A. Not critical but facing several serious problems:
 - 1. Diminished international demand for cotton, Egypt's main crop.
 - 2. General trade recession.
 - 3. Inflation and high cost of living.
 - 4. Unemployment.
 - 5. Exchange difficulties.
- B. Anglo-Egyptian dispute has particularly caused:
 - 1. Cut in lucrative tourist trade.
 - 2. Increase of unemployment; 70,000 formerly hired by British military.

EGYPT

IV. Communist Influence

- A. Communism long banned, and Egyptian Communists are only a few thousand.
- B. Anglo-Egyptian dispute has given Communists new impetus.
 - 1. New leftist publications noted in latter part of 1951.
 - 2. Communist influence indicated in January 1952 riots.

V. Indications of Trends

- A. Opposition to Hilali government increasing as a result of domestic policies and failure to obtain settlement with UK.
- B. Moderates as well as extremists in Egypt maintain that British must compromise on the Suez base and Sudan issues in order to solve Anglo-Egyptian dispute.
- C. Internal Communist activity restricted since fall of powerful Wafd party Cabinet in January 1952.
- D. Wafd Party may now encourage fanatic Moslem Brotherhood and leftist elements to cooperate in opposing palace-supported government.
- E. Burden of internal security rests on Army in case of serious crisis, as result of unreliability of police during recent Cairo riots.

VI. CIA Estimate

- A. If Great Britain substantially evacuates the Suez Canal area and recognizes Farouk's title "King of the Sudan," an Anglo-Egyptian agreement may be reached. Then Egypt may also agree to participation in some form of Middle East defense, though not necessarily in the Middle East Command as drawn up in October 1951.

Despite several weeks of preliminary talks, there is little hope for an early agreement.
- B. If an Anglo-Egyptian settlement is reached, the other Arab States will probably also be ready to join some form of Middle East defense organization.

C. Failing settlement:

1. Nationalist agitation and sabotage will probably revive.
2. The Hilali government will probably be replaced by a more authoritarian regime under Farouk's aegis.
3. In any event, serious rioting and terrorism may revive in Cairo, Alexandria, and against the British forces in the Canal zone.
4. Anti-Western feeling will mount in other Arab states.

D. Failure to reach an Anglo-Egyptian settlement would hurt British and Western general interests since:

1. Suez base would become largely useless as a Middle East defense base.

STRENGTHEGYPT - ARMED FORCESGround

Ground Troops	60,000
Frontier Corps	6,400
"Coast Guard"	4,000
Territorial Army	1,000
Royal Body Guard	1,600
Infantry Division	1
Brigades	10
Tanks	239

Air

Air Personnel	2,831
Aircraft	289

Navy

Naval Personnel	5,200
Vessels: Submarines	0
Major	2
Minor	49

TRAINED RESERVES

Trained reserves are estimated at 24,000 men.

MOBILIZATION CAPACITY

M - Day	-	73,000
M / 15	-	73,000
M / 30	-	75,000
M / 90	-	80,000
M / 180	-	90,000
M / 360	-	100,000

CAPABILITIES

Army can maintain internal security and could probably successfully resist an attempted invasion by any neighboring country. It could not withstand a major aggressor.

1 May 1952

FRENCH NORTH AFRICA

I. Stability and Orientation**A. Stability assured by French military occupation.**

1. Northern Algeria divided into three metropolitan French departments; southern territories administered by military government. Algeria specifically included in North Atlantic Treaty provisions.
2. Tunisia and Morocco administered under protectorate treaties of 1881 and 1912. Nominal native governments without real power. France administers through vast civil and military bureaucracy. Northernmost strip of Morocco administered by Spain under bilateral agreement with France.

B. Oriented toward West because of French dominance.

Native elite hold strong sympathy for Arab League; if free to choose would favor neutrality in East-West conflict.

II. Military**A. Strength****1. Army (as of 1 March 1952)**

	Army	Reserves
French Morocco	54,000	35,000
Algeria	56,000	
Tunisia	22,000	15,000

2. Air Force (as of 1 December 1951)

French North Africa	Total -- 16,400
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3. Navy (as of 1 December 1951)

French North Africa	Total -- 7,400
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B. Mobilization capabilities

No conscription in Morocco or Tunisia; metropolitan conscription laws apply to Algeria. Considerable untapped reservoir of native manpower available for training.

FRENCH NORTH AFRICA

C. Equipment generally obsolete. Quantity sufficient for present strength, insufficient to permit appreciable increase. Maintenance reasonably good.

III. Economic

A. Economy predominantly agricultural.

1. Agriculture adequate for domestic consumption; small export surplus. Essential food imports are sugar and green tea; principal source for tea is China.
2. Important deposits of phosphates, iron ore, lead and zinc, manganese; recent announcement of probable existence of some uranium. Known deposits of coal and petroleum insufficient to supply domestic needs. Important water power potential largely untapped. Thermal power installations depend on imported fuels.

B. Transportation

1. Rail (mostly single track) and road net concentrated along Atlantic and Mediterranean littoral.
2. Adequate only for present peacetime needs.

C. Expanding light industry

1. Some metal refining but most minerals exported for processing abroad.
2. Small steel industry in Algeria.
3. Increasing number of light industries being established.

IV. Communist Influence

No influence in the administration; attempts to collaborate with Tunisian and Moroccan Nationalists unsuccessful; front with Algerian Nationalists still ineffective. Some potential, however, for sabotage and disorder, although French measures restrict Communist capability for exploiting native dissatisfaction.

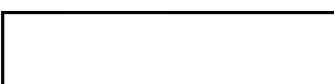


V. Indications or Trends

- A. Growing demands by nationalists for autonomy.
 - 1. Increasing impatience with the leadership on the part of young or extremist elements creating more acute security and order problem. French retain capability to control situation generally.
 - 2. Natives in Morocco and Tunisia increasingly annoyed at French assumption of inclusion in French union; at prospect of specific inclusion in North Atlantic Treaty without consent of native rulers; and over restricted implementation of promised autonomy.

VI. CIA Estimate

- A. Area will remain under French control for at least the short term but more serious nationalist explosions can be expected.
- B. French intend to maintain control over the major governmental functions, are not likely to make concessions to nationalists that would threaten such control. However, French will institute some reforms.
- C. Nationalists will continue to agitate for independence; will become more intransigent in long run; will continue efforts to obtain foreign and UN aid, but not immediately likely to seek Soviet support. Disorders and violence in the area likely to increase.



EASTERN MEDITERRANEAN

TURKEY

TURKEY

I. Stability and Orientation

- A. Stable two-party system with popular backing.
- B. Incumbent Democrats have large parliament majority.
- C. Both government and opposition strongly anti-Soviet, pro-US, actively support Western defense system.

II. Military Strength

- A. Forces -- notably 350,000-man army -- most reliable.
 - 1. Can defend against Bulgarian attack.
 - 2. Could undertake stubborn delaying action against all-out Soviet attack.
- B. Equipment of most tactical units is modernized and training under US military missions continues.
- C. Air Force being modernized and steadily improving.
- D. Major deficiencies are: shortage of NCO's and weak logistic and mobilization planning.
- E. Turkish ground commander reports to Admiral Carney under NATO setup.

III. Economic Situation

- A. Generally stable but dependent on US aid for economic development and support of large military establishment.
 - 1. Military expenditures equal 35.8% of current budget, excluding US aid.
 - 2. Scheduled to receive 71 million dollar aid under MSA of 1951 during 1952-53.

IV. Communist Influence

- A. Police system effective and internal Communism negligible; Turks traditionally anti-Russian.
- B. Continuing harassment from Soviets, such as:
 - 1. Recent notes protesting Turkish participation in Middle East Command proposals.
 - 2. Bulgarian expulsion of ethnic Turks -- border now closed.

V. Indications of Trends

- A. Aim is to be equal partner with Western nations and especially linked to the US.
 - 1. Repeated objection to reporting to British Middle East Command commander rather than to US or allied top command.
 - 2. Interest in providing estimates and comments on US Middle East problems.
 - 3. Desire for active participation in Middle East defense planning, but not at expense of full participation in NATO.
- B. Some signs that Iran and the Arab States are suspicious of Turkey's strong pro-Westernism and that Turks realize their present influence with these states is limited.

VI. CIA Estimate

- A. Turkey will remain principal Western strongpoint; its defensive capabilities should improve with completion of NATO and MEC arrangements and if US aid program continues.
- B. Working out of NATO-MEC arrangements will require careful negotiations.
- C. Turkey will remain dependent on US aid for maintenance of present forces.

TURKEY - ARMED FORCESSTRENGTHGround

Ground Troops	350,000
Security Troops	50,000
Infantry Divisions	16
Cavalry Divisions	3
Tanks	553

Air

Air Personnel	19,903
Aircraft	759

Navy

Naval Personnel	18,600
Vessels:	
Submarines	11
Major	11
Minor	95

TRAINED RESERVES

Reserves trained since 1945 are estimated at 600,000.

MOBILIZATION CAPACITY

M - Day	-	400,000
M / 15	-	700,000
M / 45	-	700,000
M / 90	-	700,000
M / 180	-	1,000,000

CAPABILITIES

Army is capable of maintaining internal security. Against an attack by Bulgaria, Army would not be able to defend border areas without a major redistribution of forces. Against all-out attack by Soviet Union, Army could not defend borders but would offer stubborn resistance which could be continued in some parts of interior almost indefinitely.

G R E E C E

I. Stability and Orientation

A. Governmental system reasonably stable but divisions and bickering among leaders make cabinets unsteady.

1. Largest single party, Marshal Papagos's Rally, now in opposition.
2. Plastiras (EPEK) - Venizelos (Liberal) coalition government hangs together mainly because:
 - a. Venizelos has not found a better alliance and fears he would be squeezed out by Papagos and Plastiras in new elections.
 - b. King Paul has been working on Venizelos and other government leaders to prevent Papagos, who resigned as Chief of Staff after a quarrel with the King last spring, from gaining office.

B. All factions strongly anti-Soviet and recognize US as virtual protector of Greece,

25X6

GREECE

II. Military Strength

A. Armed Forces -- total 193,527 -- have good combat efficiency due to anti-guerrilla experience and continuing US aid and guidance.

1. Believed capable of holding all but Thrace against Satellite attack and of delaying Soviet attack, though in both cases would need Western logistical help.
2. Greek ground commander reports to Admiral Carney under NATO setup.

III. Economic Situation

A. Despite considerable progress under ECA, economy still plagued by inflationary pressures and other problems.

1. Development program still in preliminary stage.
2. Government delaying economic reform and austerity measures

25X6

- 3. Cut in American aid forcing decrease in reconstruction projects and increase in unemployment.
- 4. Military expenses equal about one-third Greek budget of \$500 million.
- B. 330 million dollar military and economic aid granted under MSA of 1951.

IV. Communist Influence

- A. KKE (Communist) movement weak and effectively contained since end of guerrilla campaign in 1949.
 - Police uncovered main KKE radio and message centers in Athens last fall.
- B. Continuing Communist potential reflected in:
 - 1. Presence of 15,000 guerrillas in USSR and Satellite territory.
 - 2. Communist-front voting strength between 10 and 15 percent in 1951 elections.

V. Indications of Trends

- A. Unstable cabinet preoccupied with politics, evading unpopular but necessary measures for economic rehabilitation.
 - Plastiras's illness and intolerance of competition within EPEK weakening Party and government.
- B. Reintroduction of political influence in army, with Palace instigating purge of Papagos followers.
- C. Plastiras's laxness toward Communist problems.
 - 1. Inadequate screening in release of political prisoners.
 - 2. Cabinet supporters include minister with apparent Communist sympathies.

VI. CIA Estimate of Situation

- A. Greece will probably remain fairly stable, with improving military and economic strength, but political meddling with army, neglect of economic problems, and partisan bickering continues to weaken resistance to internal and external Communist pressure.

B. Present Cabinet may fall at any time and new elections will probably be necessary before end of 1952.

C. Papagos, generally favored to win majority in a new election, is vigorous advocate of economic and administrative reforms and a non-political army. However:

1. Papagos - Palace feud likely to be intensified in election campaign and revive old royalist - republican split.
2. Papagos might be thwarted by Palace and right-wing supporters on economic reforms.
3. Left-wing supporters of Plastiras might swing to far left with his defeat or retirement from leadership of EPEK.

D. An election could give a slight margin of victory to anti-Papagos forces.

-- An anti-Papagos coalition government would probably be ineffective and would tend to be soft toward Communists.

GREECE - ARMED FORCESSTRENGTHGround

Ground Troops	140,000
Gendarmerie	23,000
Civil Police	7,500
Special Troops	4,500
Infantry Divisions	10
Tanks	249

Air

Air Personnel	7,292
Aircraft	323

Navy

Naval Personnel	12,000
Vessels: Submarines	6
Major	18
Minor	109

TRAINED RESERVES

Trained reserves are estimated at 570,000 men.

MOBILIZATION CAPACITY

M - Day	-	175,000
M / 15	-	260,000
M / 30	-	280,000
M / 90	-	330,000
M / 180	-	400,000
M / 360	-	500,000

CAPABILITIES

Army is capable of maintaining internal security. It could defend frontier against an attack by Albania. It would be unable to defend northeastern Greece against a major Bulgarian or Soviet attack and would be forced to withdraw; it might be defeated unless it received major logistical support and possibly air and naval support.

Y U G O S L A V I A

YUGOSLAVIA

I. Stability and Orientation

A. Effective political control but faced with serious economic problems and continuing Soviet-Satellite pressures. Goals are to avoid war and to attain a high degree of economic self-sufficiency and a workable form of communism.

1. Tito has great personal popularity but the Communist Party and Communism are extremely unpopular with the general populace.
2. Failure to improve living standards and continued authoritarian measures create apathy and popular animosity.
3. Police repression has prevented formation of any well organized anti-Communist or Cominform groups.

B. The regime is striving to maintain its role of an independent Communist state but has been forced to make temporary concessions in its socialist program and to align itself more closely with the West. This policy of expediency has caused some uneasiness and dissatisfaction within the Party.

II. Military**A. Relative strength**

1. Army estimated at 325,000, organized into 32 divisions, of which three are mechanized.
2. Armies of Albania, Hungary, Rumania, and Bulgaria combined are now estimated at 595,000 men organized into 42 divisions, of which four are mechanized. The USSR is strengthening these Satellite forces.
3. Satellite airforces adjacent to Yugoslavia total 1,075 military aircraft, of which 25 are jet fighters, oppose a total of 727 obsolescent Yugoslav aircraft.
4. Strength and capabilities of the Yugoslav navy remains negligible.

B. Combat Effectiveness

1. Comparatively good leadership, partisan experience, fierce patriotism, and Western arms aid.
2. General staff officers have limited experience; armament industry is underdeveloped; stockpiles are inadequate; equipment is heterogeneous and obsolescent; armor and anti-tank and anti-aircraft weapons are deficient. General improvement of equipment will result from increased Western military supplies.
- C. Army capable of successfully defending itself against attacks by any one Satellite neighbor, but is not considered capable of sustaining effective organized resistance against a Soviet-supported Satellite attack without immediate large-scale Western assistance.

III. Economic

- A. Situation partly mitigated by an excellent crop year and foreign aid, permitting reduction of food and textile prices; general living standard not improved, mainly because of deflationary policy, peasant hoarding, the heavy burden of defense (approximately 25 percent of the national income) and capital construction; regime must continue to depend upon Western economic aid in order to sustain present living standards and rate of investment in capital construction and defense.
- B. Chief problems are deficient production and distribution of essential goods and services, contributing to increasing inflationary pressures; critical shortage of skilled manpower; widespread peasant and workers dissatisfaction and lassitude; peasant resistance resulting from continued emphasis on a program of agricultural socialization; regime's insistence upon proceeding with its industrialization program.

IV. Cominform Influences

- A. Cominform activities in Yugoslavia consist of dissemination of propaganda, espionage, occasional acts of sabotage; potential Cominform appeal has been increased among some orthodox Communist groups, anti-Westerners, and disillusioned party members by recent trends in Yugoslav foreign and domestic policy; Satellites utilize numerous border incidents, provocations, and infiltration of agents to maintain pressure on the Tito regime. Recent resurgence of orthodoxy in Yugoslav Communist Party to counter pro-Cominform activities.

B. Cominform activity is effectively limited by widespread fear and hatred of the USSR by the general populace and high party leaders, by the loyalty of the Yugoslav CP to its present leadership, and by the apparent efficiency of the security forces.

V. Indications of Trends

A. The present regime continues to maintain its policy of opposition to the USSR and reliance on Western economic and military support. Internally, the regime makes only those compromises in its Communist orientation required by overriding political and economic demands.

B. The Cominform states continue to attempt to subvert the regime but this remains beyond their present capability.

VI. CIA Estimate

A. The present regime will probably retain control throughout 1952, despite some internal discontent and continuing Cominform pressure. It can probably survive even death or assassination of Tito.

B. If adjacent Satellites, with Soviet logistical support, should attack within next year they probably would drive Yugoslav forces back into mountains. Even here, organized Yugoslav resistance could not be maintained for long without logistical aid from outside. However, guerrilla warfare would continue.

C. In view of increasing cooperation between Yugoslavia and West, Kremlin probably believes Satellite attack would involve serious risk of war between Satellites and West, and danger of eventual general war.

D. Attack on Yugoslavia in 1952 therefore believed unlikely.
(NIE-29/2)

25X1

YUGOSLAVIA - ARMED FORCESSTRENGTHGround

Ground Troops	325,000
Security Troops	85,000
Infantry Divisions	30
Armored Divisions	2
Tanks	400

Air

Air Personnel	10,500
Aircraft	649

Navy

Naval Personnel	21,220
Vessels: Submarines	2
Major: Destroyers	6
Minor	120

TRAINED RESERVES

About 1,600,000 men, the majority of whom would require some refresher training.

MOBILIZATION CAPACITY

M-Day	-	410,000
M/15	-	660,000
M/30	-	760,000
M/90	-	910,000
M/180	-	1,160,000

CAPABILITIES

Yugoslavia is capable of successfully defending itself against attacks by any one of the neighboring states and suppressing any internal uprising. Not yet capable of defending against a concerted Satellite attack logically supported and centrally controlled by the Soviets.

W E S T E R N E U R O P E

I. Problem

To revive and build up a united Western Europe which can:

- A. stand on its own feet economically and
- B. defend itself, with US help, against a Soviet attack.

II. Situation

A. Obstacles to revival of viable Western European power complex:

1. Continued inflation in most countries.
2. Renewed balance of payments crises in UK and France, which have required much larger US economic aid.
3. Continued political instability in France and Italy, where CP's are still strong.
4. German integration with Western Europe at a temporary impasse between tougher German bargaining and French insistence on safeguards. In addition, Soviet proposals for German reunification threaten to delay German integration with the West.
5. Insufficient French capabilities to make the key NATO contribution previously envisaged.

B. Progress made toward a strong and united Western Europe:

1. Substantial growth of European NATO forces in being (by no means yet sufficient to cope successfully with a Soviet attack.)
2. Balanced further growth within European financial capabilities, provided by TCC program, with emphasis on maximum forces available at end of 1952.
3. Increase in European production, despite financial obstacles and raw materials shortages; (munitions production has suffered some slippage, as in the US)

4. Ratification of Schuman Plan, strengthening of combined NATO organs, and progress on EDC.

III. CIA Estimate

- A. West Germany will probably be integrated with the West through the EDC and contractual agreements (NIE-57), though only after some delay. USSR will be unable to forestall this through its unity campaign because of its unwillingness to give up control over the Soviet Zone (NIE-53). Actual German rearmament, nevertheless, is unlikely to get under way until 1953.
- B. However, German demands for full equality and French desires to prevent German hegemony on the continent will continue to retard Western European integration and defense buildup. Numerous problems such as the Saar will doubtless remain as irritants in Franco-German relations.
- C. European NATO members, having accepted at least conditionally the modified TCC program at Lisbon, will not fall far short of TCC military goals (except for France). NATO forces available at the end of 1952 will provide security against a surprise Soviet attack but will still not be able to prevent a Soviet overrunning of Western Europe.
- D. Overall European economic situation may improve slightly, and probably will not further deteriorate, although much will depend on US aid. UK should improve its economic position by late 1952 as a result of drastic Churchill government measures.
- E. French governmental instability will continue to hamper Western program.
- F. US use of Spanish naval and air bases will be secured after protracted negotiations.

E A S T G E R M A N Y

I. Stability and Orientation

A. Control effected through

1. Socialist Unity Party which holds majority of responsible government positions.
2. Ministry of State Security, extensive political police mechanism.
3. The centrally controlled paramilitary police and civil police organizations.
4. Soviet Occupation forces.

B. Stability will continue through the occupation, but police organizations would have to be enlarged if the occupation forces withdrew.

II. Military

A. Paramilitary Forces

1. Ground Paramilitary Police (Alert Police) 52,000
2. Naval Police 3,500
3. Civil Police 78,000 plus 9,000 East Berlin Police.

B. Mobilization capacity of paramilitary police:

M-Day	-	52,000	
M	/ 15	-	60,000
M	/ 30	-	70,000
M	/ 90	-	100,000
M	/ 180	-	150,000

C. Equipment

1. Alert Police: World War II equipment largely suitable for training only.
 - a. German and Russian artillery.
 - b. Russian tanks.
 - c. British armored cars.

2. Naval Police

- a. Ex-Nazi minesweepers, salvage craft, coast guard cutters, fishing vessels, and miscellaneous small craft.
- b. New coast guard cutters under construction.
- c. No major combat vessels in operation or on order.

III. Economic

- A. 1951 industrial production equalled 1936 level; State- and Soviet-owned enterprises accounted for 68 percent of production in 1950 with a goal of 71 percent in 1951.
- B. 80 percent of 1950 trade was with Soviet bloc.
- C. Agriculture controlled by the government through:
 - 1. Allocation of seed and fertilizer;
 - 2. Machine Lending Stations;
 - 3. Farmers' Mutual Aid Society (farm cooperative) under Communist control;
 - 4. Discriminatory crop delivery quotas.
 - 5. Threats of legal appropriation of land.
- D. Five Year Plan:
 - 1. Expansion of Industry, especially heavy industries capable of armament production.
 - 2. Industrial production to increase 100 percent over the 1936 level by 1955, the year of fulfillment of the plan to integrate the East German economy into the Soviet Orbit.
- E. Reparations:
 - 1. Uncompensated deliveries to the USSR average 1.7 billion yearly since 1936.
 - 2. GDR supplied USSR with approximately 40 percent of the Soviet Bloc's uranium ores and concentrates in 1950.

- 3. Export of engineering industry production approximately 50 percent of output; such use of highly skilled labor constitutes particularly important contribution to Soviet Bloc industrial and military expansion.
- 4. Synthetic rubber exports to USSR amount to about 50 percent of production.
- 5. Synthetic fuel exported to the USSR amounts to about one-third of total production; industry is the largest and most highly developed in the world.
- 6. Conversion to armaments production over three years producing small arms, weapons components, and munitions.

F. Limitations

- 1. Shortage of skilled labor.
- 2. Shortages and poor distribution of raw materials.
- 3. Deficiencies in machine tools, steel-making machinery, electrical generating equipment.
- 4. Economic dislocations resulting from reparations demands.

IV. Communist Influence

- A. Control effected through force exerted upon a largely unwilling population.
- B. Elections returns had to be manipulated to provide majority in their favor.
- C. Indoctrination of youth between ages of 6 and 25 (one third of the population) started at end of war, designed to provide increasing pool of politically reliable Communists for use in positions of influence and control.
- D. Political purges continuously conducted to strengthen Communists' grip.
 - 1. Present emphasis on purging persons suspected of Western connections or having any background of relations with West.
 - 2. Some evidence of broadening of the regime.

E. Communist influence not sufficient to maintain control of state without the backing of occupation forces or enlarged and more reliable paramilitary police organization.

V. Indications of Trends

- A. Increasing dissatisfaction with the regime, no indications of organized opposition. Increasing concern with public opinion.
- B. Increasing pro-Communist orientation of youth.
- C. Increasing ostensible political independence offset by build-up in strength of security organizations.
- D. Slow rise in standard of living.
- E. Greater emphasis on unification with West Germany.

VI. CIA Estimate

A. Military

- 1. Possible increase of Alert Police strength to 120,000 men and re-organization to form 24 understrength divisions, and production of sufficient vehicles for such a force by early 1953.
- 2. Probable increase in activity of Naval Police and continuation of its coast guard functions.
- 3. Possible development of Air Police and institution of flight training.

B. Economic

- 1. Scheduled industrial production increase of 13 percent over the 1951 level; but increase will probably not exceed 10 percent.
- 2. Continuation of stockpiling and increasing importance as advance supply area.
- 3. Increasing state appropriation of plants aimed at state-ownership and operation of all industrial facilities, with the exception of some small plants, by 1955.
- 4. Continuation of reparations deliveries at current level.
- 5. No extension of agricultural collectivization.

- 6. Increase in illegal East-West trade.
- 7. Efforts to decrease dependence on West for scarce materials.
- 8. Expansion of merchant marine.

C. Political

- 1. Replacement of former Socialists and unreliable or suspect Communists in Socialist Unity Party by members of Free German Youth.
- 2. Permission for "Bourgeois" parties to continue in existence to maintain fiction of democratic political structure.
- 3. Continued agitation for unification with West Germany.
- 4. Increase in efforts to strengthen the West German Communist Party through East German support and aid.
- 5. Continued harassment of West Berlin.
- 6. Effort to develop "unity of action with SPD."

(NIE 50)

WEST GERMANY

WEST GERMANY

I. Stability and Orientation

- A. Stability dependent on continued cohesion of present government coalition, which has a narrow majority in the Bundestag and success of the integration and rearmament policies.
- B. Major policy aims, integration into Western European Community and rearmament.

II. Military

- A. West German armed forces still forbidden by the Allies.
- B. Internal security forces:
 - 1. Mobile alert police units are being formed by the states, to be used by Fedrep in case of emergency. So far, only 5,000 in force, but 13,000 are expected by end of 1952.
 - 2. Federal Border police force numbering 10,000 has been formed, and units could be transported to any part of West Germany in event of emergency.
 - 3. Decentralized local police forces of about 80,000, equipped mainly with small arms. Efficiency of the units varies by area. Low degree of Communist penetration.
 - 4. Forces numbering approximately 30,000 in the US zone and 45,000 in the British employed in a support capacity by occupation powers; many receive basic military instruction.
- C. Mobilization capacity:
 - 1. Of population of around 50 million, about 10 million males are in the 15-49 age group, of whom over 6 million are estimated to be physically fit.
 - 2. Estimated 4 million men of military age have received military training, of whom 3 million have war experience and are physically fit.

III. Economic

- A. West Germany recapturing role of Continent's strongest industrial power, but living standards not returned to prewar levels and housing critically short.

- B. Present coal output estimated at 130 million tons - prewar figure 137 millions; 1951 crude steel rate, 13.4 million metric tons; experts predict Germany could produce 19 million tons in 1953 if ceiling on output lifted.
- C. Foreign Trade:
 - 1. Exports of 3.5 billion dollars in 1951; imports roughly equal.
 - 2. In 1951 Germany became dominant exporter to Western Europe.
 - 3. Surplus of foreign currencies in the European Payments Union.
- D. About 10% of labor force unemployed; no prospect of improvement due to immobility of labor.

IV. Communist Influence

- A. Potential for sabotage and espionage high, but West German Communist Party as a political entity is relatively impotent; main strength rests in some fifty front organizations and their press; little popular appeal.
- B. Completely controlled by East German elements; organizational pattern follows that of other national CP's; has some 130,000 members; 14 seats in West German Parliament; great influence in dockworkers and metalworkers' unions; liberally subsidized by the East German Government, \$240,000 a month largely from proceeds of East-West trade.
- C. Fundamental aim is to reunify Germany under the aegis of the Soviet Union, and to destroy the present liberal democratic German regime; immediate aim is to slow West German rearment through cooperation with neutralist and rightist groups and rank and file members of the Social Democratic Party and the Trade Unions; recent indications of propaganda succeeding with some industrial workers in Social Democratic Party; unconfirmed reports that CP cooperates with right wing extremists and will continue to do so.
- D. Federal Government trying to outlaw CP by Constitutional Court action, but will likely be unsuccessful; if outlawed, will go underground completely, new leaders from East Germany replacing West German leaders and whole organization divided into three functional groups whose members do not know each other.

V. Indications of Trends

- A. Gradual restoration of sovereignty to West German state and integration into Western defense system despite Soviet maneuvers.
 - 1. Forthcoming contractual agreements to govern Bonn's relationship with the three Allies.
 - 2. Expansion of foreign relations.
- B. Acceleration of Soviet/East German unity campaign, designed to block or at least delay West German rearmament and integration.
- C. Improvement of Soviet position in Berlin to make it less vulnerable to Allied countermoves.
- D. Gradual shift (since 1949) in voting strength away from main government party, Christian Democrat, to Social Democrat and more conservative and nationalistic parties.
- E. No strong trend yet to ultra-nationalist parties, although at least one such party has shown considerable strength in local elections.

VI. CIA Estimate

A. Military:

- 1. Can contribute, as planned, approximately 360,000 men, or 12 of the 43 "divisions" to the EDC, plus tactical air and coastal defense forces.
- 2. In long run can establish strongest military force in Western Europe. Intends to contribute planned forces to the European Defense Community as soon as political agreements are reached.

B. Economic:

- 1. Can become second most powerful industrial nation in Western world in terms of military potential and high domestic per capita consumption.
- 2. Chronic unemployment, some lack of investment capital, and insistence of many producers on low unit output and high profit margins.

- 3. Able to convert to rearment production without lowering living standards due to some slack in economy and huge reservoir of skilled unemployed labor. However, may be unwilling to put forth necessary financial effort and divert resources from civilian economy.
- 4. Will continue to raise its output of heavy industrial products and consumer goods.

C. Political:

- 1. Three alternative foreign policies available: integration with the Western Powers; neutrality and reunification; rapprochement with the Soviet Bloc.
- 2. Will probably follow first policy (NIEs 24 and 57), despite last-minute Soviet maneuvers.
- 3. However, if Social Democratic Party comes to power in 1953, it is less likely to accept Allied conditions for Western integration than present governmental coalition. When faced with the realities of political responsibility, Social Democrats would be more cooperative with the West than at present. Right extremist parties will continue to grow in strength, causing some diminution of the moderate parties' strength, but will not have potent influence on foreign policy in the foreseeable future.

(NIE 57)

FRANCE

I. Stability and Orientation

- A. Precarious center-right coalition depending on some Gaullist deputies.
- B. Coalition based on domestic policy; Socialist support may be necessary to overcome Gaullist and some rightist opposition to present foreign policy. Coalition agreement on (1.) below, but the considerable Gaullist and rightist opposition to the methods for (2.) and (3.) threatens the government's majority.
 - 1. Firm support of Western defense within present NATO framework.
 - 2. Prevention of German preponderance on the Continent.
 - 3. French leadership in promoting European integration.
- C. Opposition composed of:
 - 1. Communists.
 - 2. Alternately, Socialists and Gaullists as specific issues arise. Popular sympathy for Pinay experiment forces the Gaullists to postpone further opportunistic attempts to induce new elections.

II. Military

A. Strength

- 1. Army: 748,000
- 2. Navy: 62,469 *
- 3. Air: 89,115

B. Disposition

	Metropolitan France	Germany- Austria	North Africa	Indochina
Army:	261,500	104,000	132,000	195,000
Navy:	16,459	-	3,339	10,577

* Includes Naval Air

FRANCE

C. Trained Reserves

1. Army: 1,625,000
2. Navy: 150,000
3. Air: 140,000

A serious retraining program would be necessary to make Air Reserve effective.

D. Mobilization capacity

1. Army:

	<u>M Day</u>	<u>M Day + 365</u>
Manpower	808,000	2,000,000

Divisions	11	18
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2. Navy: No effective system for mobilization.

3. Air: No effective system for mobilization.

E. Status of equipment.

1. Army: Sufficient to equip existing divisions. Half consists of MDAP material; half is heterogeneous collection of US, German, British, and French materiel, much of it used during World War II.
2. Navy: General lack of modern anti-submarine and AA equipment; complete unserviceability of naval aircraft except for those received under MDAP.
3. Air: All but about 120 jet aircraft are obsolete; about 50% are serviceable.

F. Capabilities

1. Army capable of maintaining internal order; unable to withstand attack by major aggressor.
2. Navy capable of convoy and anti-sub duty only.
3. Air unable to withstand attack by modern air force; only very limited support to ground forces.

III. Economic

- A. Remarkable recovery but low living standards; defense commitments beyond capabilities, cannot support Indochina struggle and continue European commitments at present rate.
- B. Price rise since July 1950 substantially greater than in other Western countries, cost of living at end of 1951 more than 40% above 1949; belated measures instituted by Pinay government combined with a sharp check in the price rise have considerably strengthened the franc; results so far chiefly psychological and real test of Pinay's save-the-franc program yet to come.
- C. Trade Deficit worsening for over a year. Drastic import restrictions in March have halted foreign exchange drain, but special EPV loan must be repaid in June.
- D. Unemployment at postwar low.
- E. Investment contingent on revenue from internal loans under Pinay program.

IV. Communist Influence

- A. Received 26% of vote in June elections; and won 16% of seats in National Assembly; membership in party reduced.
- B. Control most powerful union, General Labor Confederation, which continues as greatest champion of working classes despite drop in membership from five to two million. CGT now dependent upon non-Communist union support to launch successful strikes. Political strikes receive little worker response. CGT has intensive cadre-training course, strongest in nationalized industries.
- C. Estimated paramilitary strength of 60,000 centered in urban areas. PCF militants are organized for tactical sabotage of production and transportation, but are largely known to security forces.
- D. Humanite has dropped 9% in circulation since October 1951, and Ce Soir 18%; Communist press remains largest of partisan presses; over 100 Communist publications.
- E. Plans and policies of French CP
 - 1. Obstructionist propaganda attacking rearmament, US "occupation" of France, French colonial policy in Indochina and Tunisia, US restrictions on East-West trade, and aggressive nature of NATO and EDC.

[Redacted]

2. "Unity of Action" campaign to gain control over non-Communist unions and to organize strikes in critical industries while posing as champion of the laboring classes.

V. Indications of Trends

A. International

1. Grass-roots support for European integration.
2. Western unity hampered by renewed suspicion of German intentions and heightened by fears of German preponderance in Europe as French financial capabilities weaken; counteracting trend due to French uneasiness over apparent Soviet willingness to rearm a United Germany.
3. Growing difficulties in defense effort.

B. Political

1. Some possibility of new, less conservative political alignment cutting present party lines, involving Gaullist split and Socialist participation.
2. Labor postponing agitation only until success of Pinay's price-reduction campaign tested.

C. Economic

1. Improvement in balance of payments position still uncertain.
2. Risky attempt to balance budget by economies, loans, and improvement in tax collection system, without increasing taxes.

VI. CIA Estimate

- A. Coalition party leaders intend to prevent development of impasse which would make return of De Gaulle likely. Large element of Gaullist RPF has also supported present right-wing coalition. Gaullist regime therefore unlikely except in event of serious threat to internal security.
- B. Opposition to German sovereignty without US guarantees for Western European security. France will probably ratify EDC treaty, however.
- C. French determined to hold on to economic position in the Saar, and to forestall its return to Germany.

STRENGTHGroundFRANCE - ARMED FORCES

Ground Troops	651,000
Gendarmerie	53,000
Infantry Divisions	8
Armored Divisions	3
Tanks	4,217

Ground Dispositions

Metropolitan France	203,000
Germany	85,000
Austria	8,000
North Africa	111,000
Indochina	195,000
Korea	1,000
Elsewhere	<u>48,000</u>
	651,000

Air

Air Personnel	75,075
Aircraft	2,848

Navy

Naval Personnel	52,000
Vessels:	
Submarines	10
Major	56
Minor	460

TRAINED RESERVES

Effective trained reserves estimated at 1,625,000 men.

MOBILIZATION CAPACITY

M - Day	-	704,000
M / 30	-	1,000,000
M / 90	-	1,500,000
M / 180	-	2,000,000
M / 365	-	2,000,000

CAPABILITIES

Barring widespread disorders, Army is capable of maintaining security throughout the Union but could not successfully resist a major aggression.

ITALY

I. Stability and Orientation

- A. Pro-Western, right-of-center Christian Democratic government will remain in power, with possible shifts in cabinet posts, until national elections planned for late 1952 or mid-1953.
- B. Parliament supports major foreign policy objectives, in line with US goals, including European integration. These goals supported by all parties except extreme right and left.
- C. It becomes increasingly difficult, however, for the government to hold parliamentary support on domestic issues, in view of the increasing dissension with the Christian Democratic Party.
- D. Relations with USSR cool but correct.

II. Military

- A. Armed forces, including 82,000 national police, 416,152.
- B. Mobilization capabilities about 1,000,000.
- C. Trained reserves 750,000.
- D. Troops deployed in strategic northern Italy; new fortifications about to be constructed along northeastern border.
- E. Modern equipment, ammunition, and fuel lacking; lack of professional NCO's and specialists; inadequate training facilities and large unit training program.
- F. Army has little offensive capability, is limited to delaying action against any but a weak aggressor.

III. Economic

- A. Generally speaking, through 1951 recovery was good, but benefits do not filter down to middle and lower strata. Since the beginning of this year, a moderate economic recession is evident.
- B. National income increased and production above pre-war levels; industry, 140% of 1938, agriculture, about 100%.
- C. Inflation contained, but fear of inflation holds economy at too low a level; inadequate investment program.

- D. About 2,000,000 unemployed out of employable population of about 20 million.
- E. Sizable surplus in the European Payments Union, but dollar deficit.
- F. No important reforms of structural defects in the economy, limited progress on tax reforms.
- G. New defense program will spread economic benefits further if Italy can acquire financial support and raw materials for civilian consumption.

IV. Communist Influence

- A. No communists in Cabinet, but in Defense Ministry some sensitive positions held by communists.
- B. Communists hold about one-third of seats in Parliament.
- C. Communists control largest labor confederation, about 3,000,000.
- D. Communists cannot call successful political strikes, but have kept initiative over non-Communist unions in spearheading strikes on economic issues, in which they are often supported by the non-Communist unions.
- E. Communist-led strikes could temporarily disrupt all important means of communication and transportation in strategic northern Italy.
- F. They cannot seriously impede defense effort by peace-time strikes, but could seriously reduce it by sabotage in event of war.

V. Indications of Trends

- A. Growing popular discontent with Government. Communist electoral strength growing, shown first in local elections of spring 1951. Government is felt to be less concerned with interests of workers, more authoritarian in its conduct, and is accused of clericalism. Communists benefit from their "peace" campaign. Most Italians apathetic over NATO and not convinced of ability or even intention of US to defend Italy in case of war.

- B. Neo-Fascism growing; small electoral strength trebled in 1951 local elections over 1948 national ones. It feeds on growing nationalism and popular dissatisfaction over failure of pro-Western policies to secure return of Trieste, return of former African colonies, or admission into UN.
- C. Because of increasing dissension within Christian Democratic Party, government is increasingly influenced by ultra-conservative right wing of Christian Democrats and driven to measures to distract popular attention from domestic difficulties and focus on international grievances.
- D. Because moderate parties have quit coalition, Government is seeking extreme rightist support, which may even include the neo-Fascists, to combat the growing Communist threat.
- E. Growing fear that Italian exports may be cut down by increased import restrictions on the part of US and Western Europe.

VI. CIA Estimate

- A. Government still gives no indication of constructive steps to win back popular support by political or economic measures.
- B. The CP may emerge as the strongest party in the next national elections. Rightist strength should also grow.
- C. Government hopes that unemployment can be alleviated by opening of greater emigration outlets. In general, Italy's economic situation is being determined by factors outside of Italy.

ITALY - ARMED FORCESSTRENGTHGround

Ground Troops	200,000
Carabinieri	82,000
Infantry Divisions	9
Tanks	771

Air

Air Personnel	28,067
Aircraft	938

Navy

Naval Personnel	33,800
Vessels:	
Submarines	0
Major	26
Minor	208

TRAINED RESERVES

Italy is hampered in developing an organized reserve system under terms of Peace Treaty. Number of men who have been trained in postwar period totals 700,000.

MOBILIZATION CAPACITY

M - Day	-	200,000
M < 15	-	200,000
M < 30	-	350,000
M < 90	-	500,000
M < 180	-	700,000

CAPABILITIES

Army has no significant offensive capabilities and against any but a weak opponent is limited defensively to delaying action only.

NATO AND EDC BUILDUP

I. Present Difficulties

A. Rearmament Program

Revised military targets accepted at Lisbon NATO meeting are now facing translation into actual forces, equipment, and bases.

1. Fifty divisions -- half in reserve status -- and 4,000 planes are the agreed military targets for 1952.
2. The NATO countries, except for France, have agreed to military and financial contributions which make the attainment of 1952 goals appear likely. France has agreed to a budget larger than that accepted by the TCC but this, and US aid, will probably still be insufficient to permit full attainment of TCC 1952 force goals.
3. Targets for 1953 and 1954 are not yet firm; attainment of this year's goals depends heavily upon European political and economic stability and upon American aid programs.

B. EDC problem

There is general agreement on major items of EDC treaty which will probably be signed in May.

1. The division of German financial contribution to Western defense remains to be settled.
2. France is seeking assurances from the United States that West Germany will not be able to withdraw from the EDC.
3. While there are no major obstacles to signing of treaty, ratification by national parliaments is expected to take many months.

C. NATO Structure

1. Reorganization under Secretary-General Lord Ismay in Paris headquarters is proceeding smoothly.
2. Greek and Turkish accession accomplished as expected; details of Southern Europe Command being worked out.
3. Infrastructure program for construction of airfields still serious obstacle to 1952 plans.

NATO

II. CIA Estimate

- A. NATO defense plans are firm for 1952 only, and even the attainment of this year's goals is heavily dependent upon successful solution of economic and political problems, e.g.,
 - 1. Conclusion of Allied-German contract.
 - 2. Signature and ratification of EDC treaty.
 - 3. Adequate military and financial contributions by France and Germany.
- B. Strains imposed by defense spending upon national economies have caused slippage in rearment programs. Britain has already announced the extension of its target dates from 1954 to 1955 and 1956.
- C. British, French, and West German governments view the Soviet notes on a German peace treaty as part of a prolonged campaign to block integration of Germany with the West. Four-power talks to disclose Soviet intentions to European public opinion may be prerequisite to ratification of the EDC treaty, but the current Soviet tactics are not expected to hinder materially the Western buildup.

S P A I N

I. Stability and Orientation

- A. No indication that Franco has lost support from or control of major political forces: army, church, bankers and industrialists, and to a lesser degree Falange.
- B. Dissatisfaction within these elements will probably continue, but no concerted criticism of Franco has arisen.
- C. Popular dissatisfaction primarily concerned with economic conditions, unorganized politically, unarmed and fearful of another civil war.
- D. Organized non-Communist political opposition must operate clandestinely; efforts toward unity among Monarchists and Left weakened by mutual distrust and discouragement.
- E. Government, people, and major opposition groups anti-Communist.
- F. Pro-US to extent Spain's military and economic security needs are served.
- G. Promotion of ties with Arab States:
 - 1. Promise of greater autonomy for Spanish Morocco.
 - 2. Signing of cultural pacts with Arab states, and endeavoring to mediate between Arab States and France or Britain.

II. Military

A. Strength: 489,212

1.	Army	--	335,000
2.	Navy	--	27,150
3.	Air Force	--	35,562
4.	Civil Guard	--	63,000
5.	Armed Police	--	24,000
6.	Khalifian Army	--	4,500

B. Troop disposition:

1.	Peninsular Spain	--	243,800
2.	Spanish Morocco	--	60,500
3.	Spanish Islands	--	27,500
4.	African Colonies	--	3,200

SPAIN

- C. Trained Reserves: (estimated) 1,200,000
- D. Mobilization Capacity: M + 360
 - 1. Army: 1,500,000
 - 2. Navy: 87,000
 - 3. Air Force: 100,000
- E. Equipment inadequate, obsolete, understandardized, in fair condition.

III. Economic

- A. Situation improved by:
 - 1. Agricultural production increased by good weather and increase in fertilizers;
 - 2. Hydro-electric power increased by heavy rains in past season permitting some expansion of industrial output;
 - 3. Improved world market for Spanish products, particularly minerals.
- B. Situation remains bad due to unmet need for rehabilitation of transportation, improved power supply, modern machinery, and improved techniques.
- C. Standard of living lowest in western Europe.

IV. Communist Influence

- A. CP strength estimated at between 10,000 and 15,000.
- B. Limited by popular antipathy, mistrust by non-Communist clandestine labor groups, police vigilance, and low party morale.
- C. Party line adjusting in anticipation of closer US-Spanish relations:
 - 1. Expansion of anti-US propaganda.
 - 2. Exploitation of anti-US sentiment in non-Communist opposition disillusioned by US aid to Franco;
 - 3. Expansion of espionage and possibly sabotage.

V. Current Trends

A. International

1. Maximum persuasion to insure materialization of large amounts of US economic and military assistance.
2. Attempt to curry favor with Arab and Latin American blocs in UN.
3. Attempt to obtain Portuguese, Turkish, and Greek sponsorship in NATO but more to offset possible effects of French and British opposition in NATO than for any urgent desire for membership.

B. Internal

1. Continuation of political restrictions.
2. Greater attention by Church to economic hardships of people, and increasing Church - Falange friction.

C. Economic

Relaxation of economic controls on consumer goods as result of increased domestic production and US assistance.

VI. CIA Estimate

- A. Armed forces incapable of resisting for more than few weeks against major invasion.
- B. Economy presently incapable of supporting substantially increased military effort.
- C. Regime urgently desires US aid and will agree to US bases in Spain.
- D. Franco hopes NATO's rebuff of Portuguese-sponsored moves to include Spain in NATO will permit Spain to evade integration of economic and military effort with NATO members, particularly in placing troops under unified command for service outside the Peninsula in Continental Europe. Franco would probably prefer a separate alliance with the US.

(NIE-34)

SPAIN - ARMED FORCESSTRENGTHGround

Ground Troops	335,000
Khalifian Army	4,500
Civil Guard	63,000
Armed Police	24,000
Infantry Divisions	12
Mountain Divisions	4
Armored Division	1
Cavalry Division	1
Tanks	20

Air

Air Personnel	35,562
Aircraft	994

Navy

Naval Personnel	26,750
Vessels:	
Submarines	5
Major	24
Minor	89

TRAINED RESERVES

Trained reserves are estimated at 1,200,000 men.

MOBILIZATION CAPACITY

M - Day	-	426,500
M + 15	-	570,000
M + 30	-	600,000
M + 90	-	830,000
M + 180	-	1,000,000
M + 360	-	1,600,000

CAPABILITIES

Army is capable of maintaining internal security but against a modern, well-equipped invader could only carry out delaying action.

PORUGAL - ARMED FORCESSTRENGTHGround

Ground Troops	35,000
Overseas Territorial Forces	14,800
Security Troops	12,500
Regiments (no divisions)	35
Tanks	96

Air

Air Personnel	2,021
Aircraft	358

Navy

Naval Personnel	7,600
Vessels: Submarines	3
Major: Destroyers	5
Minor	51

TRAINED RESERVES

Effective trained reserve force approximately 200,000.

MOBILIZATION CAPACITY

M / Day	-	62,300
M / 15	-	81,000
M / 30	-	119,000
M / 90	-	157,000
M / 180	-	195,000
M / 360	-	235,000

CAPABILITIES

Portugal has no offensive capabilities. On the defense, she would be able to fight only a limited delaying action against an invading force.

PORTUGAL

SCANDINAVIA

N O R W A Y

NORWAY

I. Stability and Orientation

- A. Stable Labor Party government holding clear parliamentary majority.
- B. Oriented toward closer ties with US and active membership in NATO.

II. Military

- A. Forces in active service: 32,385

1. Army	18,000
2. Navy	7,250
3. Air Force	4,135
4. Anti-aircraft artillery	3,000

- B. Disposition: 1 Army Brigade (4,100) in Germany; balance in Norway.

- C. Mobilization capacity:

- 1. Trained reserves: rated at 90,000.
- 2. Mobilization potential: M & 15 75,000; M & 180 135,000.

- D. Equipment: Generally fair, artillery and mortars heterogeneous, military vehicles in short supply.

- E. Capabilities:

- 1. Army: short delaying action; limited by lack of adequate training.
- 2. Navy: only initial delaying action against seaborne attack.
- 3. Air Force: air defense ineffective; little offensive capability.

III. Economic

- A. Dependent on speciality exports and merchant marine earnings for imports of manufactured goods and food.

- B. Balance of payments produced a small export surplus in 1951, but adverse price developments for pulp now poses threat.
- C. Rigid rationing, price controls and high taxes employed to achieve balance of payments and check inflation.
- D. Such restrictions to be continued in order to allocate resources for expanded defense program.

IV. Communist Influence

- A. Estimated party membership: 10,000; polled 5.8% of 1949 vote, no parliamentary representation.
- B. Steady decline since 1945, except in the far northern province of Finnmark where a relatively strong position is still maintained.
- C. Despite losses in trade unions, Communists retain control of some locals in strategic areas or industries.

V. Indications of Trends

- A. Continued stable government.
- B. Continued resistance to Soviet intimidation indicated by recent Norwegian replies to Soviet protest over NATO affiliation.

VI. CIA Estimate

- A. Firm intention to resist aggression; one of most cooperative NATO members.
- B. Projected defense spending slightly above TCC recommendation for next 3 years.
- C. Economy at present considered capable of supporting increased defense effort, given military aid and economic assistance to ameliorate unfavorable balance of payments.

NORWAY - ARMED FORCESSTRENGTHGround

Ground Troops	18,000
Brigade (no divisions)	1
Tanks	81

Air

Air Personnel	4,523
Aircraft	241

Navy

Naval Personnel	7,250
Vessels: Submarines	8
Major	15
Minor	43

TRAINED RESERVES

Total trained reserve forces estimated at approximately 90,000.

MOBILIZATION CAPACITY

M - Day	-	18,000
M / 15	-	65,000
M / 30	-	65,000
M / 90	-	120,000
M / 180	-	120,000

CAPABILITIES

Army could fight a delaying action for a short period of time.

S W E D E N

I. Stability and Orientation

- A. Social Democrat and Agrarian coalition has an overwhelming parliamentary majority.
- B. Ideologically pro-western, cooperating informally with US in such matters as restricting strategic exports to the Soviet orbit.
- C. In hope of remaining neutral in war, the Government, with support of large majority of the people, adheres to an "alliance-free" foreign policy.

II. Military

A. Active Forces.

- 1. Army 50,000
- 2. Navy 11,600
- 3. Air Force 10,234

B. Mobilization.

- 1. Trained reserves 850,000, good basic training but would require large-unit training.
- 2. Mobilization plans: M plus 15 - 600,000
M plus 90 - 600,000
(Other manpower demands limit mobilization to this figure)
- C. Army equipment is generally good but anti-aircraft, automatic weapons and fire-control equipment in short supply and armored vehicles and transport obsolescent.
- D. Navy has approximately 70 ships, of which the 17 in the operational category include two modern cruisers.
- E. Airforce, with 1099 aircraft in tactical units, is considered the most effective air arm (excluding the USSR) on the continent.
- F. Will to resist is strong; but services suffer from lack of high level staff experience and coordination.

SWEDEN

III. Economic

- A. Prosperous, stable and characterized by full employment, economy shows slight deflationary tendency.
- B. Highly dependent upon international trade; recent fall in pulp prices has caused extensive concern.

IV. Communist Influence

- A. Membership about 34,000.
- B. In 1950 provincial-municipal elections, received 188,000 or 4.9 percent of the total vote; their 12 members out of 380 in the national parliament have no influence.
- C. Power in trade unions declining but still significant in a few locals, so strategically located as to afford serious sabotage potential; e. g. in the metal-working, ship-building, mining and transportation industries, in the far north along the Finnish-North Norway frontier, and in the port cities of Goteborg and Stockholm.

V. Indications of Trends

- A. No internal threat to the stability of the Government.
- B. Government will continue, as long as publicity can be avoided, to cooperate informally with the United States in economic matters.
- C. Soviet efforts to encourage a neutral Scandinavian defense alliance have met with no response.

VI. CIA Estimate

- A. Sweden will remain prosperous and will be able to maintain and expand its military establishment; it will, however, need to purchase certain military items from the US.
- B. The Government will, with the support of the great majority of the people, adhere rigidly to its present "alliance-free" foreign policy. Though anti-Communist, Sweden cannot be pressured into joining NATO. Its present degree of informal cooperation with the West will probably continue. (NIE 49)

SWEDEN - ARMED FORCESSTRENGTHGround

Ground Troops	50,000
Regiments (no divisions)	36
Tanks	550

Air

Air Personnel	10,630
Aircraft	1,688

Navy

Naval Personnel	11,600
Vessels: Submarines	24
Major	28
Minor	127

TRAINED RESERVES

Total trained reserve force estimated at approximately 850,000.

MOBILIZATION CAPACITY

M - Day -	50,000
M / 15 -	600,000
M / 30 -	600,000
M / 90 -	600,000

CAPABILITIES

A brief delaying action is the best that could be expected from the Army in case of a major aggression.

D E N M A R K

I. Stability and Orientation

- A. A Conservative-Moderate Liberal coalition forms the minority Government; its fall is not anticipated since the opposition Social Democrats do not desire responsibility of dealing with economic problems.
- B. Government loyally supports NATO and enjoys Social Democratic support on foreign policy and defense.

II. Military

A. Active strength:

- 1. Army 21,000
- 2. Navy 5,100
- 3. Air Force 1,650

B. Disposition: 1,000 troops in Germany; balance in Denmark.

C. Mobilization capacity:

- 1. Trained reserves total 105,000 and individual training is good.
- 2. Mobilization plans: M / 15 75,000
M / 90 125,000

D. Equipment critically short, mostly obsolete; air force has 196 planes, of which 54 are in tactical units.

E. Conscription period is to be increased from 12 to 18 months.

III. Economic

- A. Internal prosperity but chronic balance of payments problem caused by disparity between low prices of its agricultural exports and high prices of imported consumer goods and raw materials.

DENMARK

IV. Communist Influence

- A. Party membership about 16,000.
- B. Party has 8 seats out of 229 in parliament; obtained 4.6 percent of total vote in the 1950 parliamentary election.
- C. Although trade union movement is largely Social Democratic, Communists exercise some influence, particularly in Copenhagen, among dockworkers and seamen.

V. Indications of Trends

- A. No indication of change in foreign policy.
- B. Inflationary pressures momentarily reduced.
- C. No indication that present Government will fail prior to termination of spring session of parliament.

VI. CIA Estimate

- A. Denmark will remain loyal to NATO and determined to resist attack, although military weakness and feeling of futility continue to exert some influence on a considerable segment of the population.
- B. Concern over political-economic impact of large defense expenditures has caused Government to refuse to meet in full the TCC's recommended increase in defense expenditures for the period 1951/54.
- C. Denmark possesses the economic ability to meet the TCC recommendations, and can be expected to fulfill its NATO force commitments eventually.

DENMARK - ARMED FORCESSTRENGTHGround

Ground Troops	16,500
Battalions (no divisions)	16
Tanks	None

Air

Air Personnel	1,650
Aircraft	196

Navy

Naval Personnel	5,100
Vessels:	
Submarines	3
Major	10
Minor	70

TRAINED RESERVES

Effective trained reserve force is approximately 105,000.

MOBILIZATION CAPACITY

M / Day	-	16,500
M / 15	-	75,000
M / 30	-	75,000
M / 90	-	125,000
M / 180	-	125,000
M / 365	-	125,000

CAPABILITIES

Denmark is capable of only a weak delaying action against invasion.

FINLAND - ARMED FORCESSTRENGTHGround

Ground Troops	26,400
Security Troops	2,600
Infantry Divisions	3
Tanks	77

Air

Air Personnel	2,222
Aircraft	145

Navy

Naval Personnel	2,900
Vessels: Submarines	0
Major	0
Minor	59

TRAINED RESERVES

250,000 men.

MOBILIZATION CAPACITY

M - Day	-	32,000
M / 15	-	50,000
M / 30	-	150,000
M / 90	-	175,000
M / 180	-	250,000
M / 360	-	400,000

CAPABILITIES

Army's only current capability is that of maintaining internal security.

SOVIET ARMED FORCES IN FINLAND

Ground Troops	10,000
Security Troops	1,000
Aircraft	none

FINLAND

WESTERN HEMISPHERE

25X1

REPUBLIC OF PANAMA

I. Stability and Orientation

A. Present government weak and unstable.

1. Civil disturbances probable in connection with the presidential election to be held on 11 May 1952.
2. Coup d'etat possible.
3. Weakness of government precludes serious attention to foreign affairs and is a hindrance to full cooperation with US.

B. Conservative, pro-US orientation.

[Redacted]

25X6

II. Military

A. Panama National Police has present active strength of 2,453, fairly well-equipped with small arms.

B. Panama Secret Police has present active strength of 130-180,

25X6

[Redacted]

III. Economic

A. Evidence of economic depression.

1. Some 15,000 unemployed, a possible 15% of normally employed population of Panama City and Colon.
2. Decline of bank deposits.

B. Causes of economic depression.

1. Postwar reduction in US expenditures in the area.
2. Contributing factors: local mismanagement, graft, and capital expenditures for unproductive purposes.

25X1

[Redacted]

PANAMA



C. Panamanian view of economic depression.

1. Disclaim any national responsibility.
2. Look to the United States to solve the problem through economic assistance; with that in view, may purposefully exaggerate Communist danger.

IV. Communist Influences

A. CP in Panama is weak.

1. Has only some 500 members.
2. No more than 50 could be regarded as hard core.



B. Influence with labor.

-- Controls the Federation of Workers, a fairly ineffective labor organization but still the most important in Panama, affiliated with Latin American CTAL and world-wide WFTU.

C. Influence among the intelligentsia.

1. Was important element in three-month student strike (Oct. 51 to Jan. 52).
2. Philosophical Marxism widely accepted by both teachers and students.

V. Indications of Trends

A. Rise of ultra-nationalistic (anti-US) Patriotic Front Party.

1. Is principal danger to US interests in Panama.
2. Not now Communist-controlled.



3. Party is susceptible to Communist penetration and influence because of its anti-US line.

4. Present decline in strength may be only temporary.

B. Presidential election of 11 May 1952.

1. Jose Remon, Administration candidate, is favorably disposed toward the US, could probably win a free election unless ex-president Arnulfo Arias should swing his support to the opposition, is reluctant to use force; anti-Remon sentiments of opposition forces may prompt mob violence, particularly if the election appears to be fraudulent; Remon might use force if he concluded that otherwise his election would be prevented.

2. Roberto Chiari, principal opposition candidate, is conservative in background, not unfavorably disposed toward the US, supported by a coalition which includes the Patriotic Front.

3. Arnulfo Arias, deposed from the presidency on 10 May 1951, agreed in early April 1952 to join forces with Jose Remon in the municipal and provincial electoral juries although not on the National Electoral Jury. This agreement will probably have a decisive effect on the election of mayors and deputies to the National Assembly, thereby ensuring Arnulfo's influence in the new government.

4. Police commanders at present have a clear preference for Remon rather than Chiari, likely but not certain to support Remon in a coup d'etat; whatever course they took would probably prove decisive.

5. Civil disturbances are probable, a coup d'etat by either side possible.

VI. CIA Estimate

A. Jose Remon as President

1. Could expect the continuing, implacable opposition of the Patriotic Front and the Communists.

2. Could probably control the situation so long as supported by National Police.

B. Chiari as President

-- Could probably free his administration of any dependence on the Patriotic Front, provided that he had a neutral National Police force

C. Influence of Arnulfo Arias

1. Would be a factor for instability if he opposes the new administration.
2. As a member of the opposition, would be likely to adopt an anti-US position.

D. In no circumstances is the political situation likely to develop in such a way as to:

1. Endanger immediately the strategic interests of the US in Panama, or
2. Bring the Communists directly into power there.

PANAMA - ARMED FORCES

STRENGTH

Ground

National Police	2,800
Tanks	None

Air

None

Navy

None